



ENTERED
05/13/2020

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	Chapter 11
)	
STAGE STORES, INC., <i>et al.</i> , ¹)	Case No. 20-32564 (DRJ)
)	
Debtors.)	(Jointly Administered)
)	
)	Re: Docket No. 27

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO CLOSE STORES AND WIND-DOWN OPERATIONS, (II) AUTHORIZING THE DEBTORS TO ASSUME AND PERFORM UNDER THE CONSULTING AGREEMENT RELATED TO THE STORE CLOSINGS, (III) APPROVING PROCEDURES FOR STORE CLOSING SALES, (IV) APPROVING MODIFICATIONS TO CERTAIN CUSTOMER PROGRAMS, AND (V) GRANTING RELATED RELIEF

Upon the motion (the "Motion")² of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order"), (a) authorizing the Debtors to wind-down operations; (b) authorizing the Debtors to assume and perform under the Master Consulting Agreement and the SOW 4 (together, the "Consulting Agreement"), copies of which are attached hereto as **Exhibit 1-A** and **Exhibit 1-B**; (c) authorizing the Debtors to conduct closings or similarly themed sales (the "Store Closing Sales") at the locations subject to the Consulting Agreement (the "Closing Locations") in accordance with the terms of the Store Closing Procedures attached hereto as **Exhibit 2**, with any such related sales to be free and clear of all liens, claims and encumbrances (collectively, the "Encumbrances"); (d) approving modifications to certain customer programs, including the return policy and acceptance of gift

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Stage Stores, Inc. (6900) and Specialty Retailers, Inc. (1900). The Debtors’ service address is: 2425 West Loop South, Houston, Texas 77027.

² Capitalized terms used but not defined herein have the meanings ascribed to them in the Motion.



cards, resulting from the Wind-Down; (e) authorizing the sale or disposition of the Store Closing Assets free and clear of Encumbrances; (f) authorizing the abandonment of certain burdensome Merchandise, FF&E, and personal property; and (g) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY FINDS AND DETERMINES THAT:

1. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

2. The Debtors have sound business reasons for seeking to commence the Wind-Down, assume and perform under the Consulting Agreement, and adopt the Store Closing

Procedures, on an interim basis subject to the Final Hearing, as set forth in the Motion and at the Hearing, and entering into the Consulting Agreement is a reasonable exercise of the Debtors' business judgment and in the best interests of the Debtors and their estates.

3. The conduct of the Store Closings in accordance with the Store Closing Procedures will provide an efficient means for the Debtors to dispose of the Store Closing Assets.

4. The Consulting Agreement were negotiated, proposed, and entered into by the Consultant and the Debtors without collusion, in good faith, and from arm's-length bargaining positions.

5. The Debtors' assumption of the Consulting Agreement is a sound exercise of the Debtors' business judgment.

6. The Store Closings are in the best interest of the Debtors' estates.

7. The Debtors have represented that they are neither selling nor leasing personally identifiable information pursuant to the Motion, although the Consultant will be authorized to distribute emails and promotional materials to the Debtors' customers consistent with the Debtors' existing policies on the use of consumer information.

8. The relief set forth herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates and the Debtors have demonstrated good, sufficient, and sound business purposes and justifications for the relief approved herein.

9. The entry of this Interim Order is in the best interest of the Debtors and their estates, creditors, and interest holders and all other parties in interest herein.

IT IS HEREBY ORDERED THAT:

10. The final hearing (the “Final Hearing”) on the Motion shall be held on June 10, 2020, at 2:30 p.m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on June 3, 2020.

11. The Debtors’ implementation and effectuation of the Wind-Down is approved as set forth herein, pursuant to section 105(a) and 363(b) of the Bankruptcy Code.

12. The Debtors are authorized, pursuant to sections 105(a), 363(b), and 365 of the Bankruptcy Code and without further notice or relief from the Court except as provided herein, to take any and all actions consistent with this Order that are necessary or appropriate in the exercise of their reasonable business judgment to implement the Wind-Down.

13. The Debtors are authorized and empowered to take any and all further actions as may be reasonably necessary or appropriate to give effect to this Interim Order.

14. Notwithstanding the relief granted in this Interim Order, any payment made by the Debtors pursuant to the authority granted herein, or authorizations contained hereunder, shall be subject to and in compliance with any orders entered by the Court approving the Debtors’ entry into any postpetition debtor in possession financing facility and any budget in connection therewith and/or authorizing the Debtors’ use of cash collateral and any budget in connection therewith. To the extent there is any inconsistency between such orders and any action taken or proposed to be taken hereunder, the terms of such orders and budgets shall control, other than as explicitly set forth in paragraph 18 of this Interim Order.

15. To the extent of any conflict between this Interim Order, the Store Closing Procedures, any Side Letter (as defined below), and the Consulting Agreement, the terms of any

Side Letter shall control over this Interim Order, this Interim Order shall control over all other documents and the Store Closing Procedures shall control over the Consulting Agreement.

16. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

17. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective upon its entry.

I. Authority to Assume and Perform under the Consulting Agreement.

18. The Debtors are authorized to assume and perform under the Consulting Agreement pursuant to sections 363 and 365 of the Bankruptcy Code, on an interim basis including: (a) making payments required by the Consulting Agreement to the Consultant without the need for any application of the Consultant or a further order of the Court and (b) allowing the sale of Additional Consultant Goods, and (c) participating in an augmentation program, all as permitted under the Consulting Agreement. Consultant's fees and expenses shall be paid from the gross proceeds of the Store Closing Sales, without adherence to any weekly, monthly or aggregate limitation in a DIP financing or cash collateral budget entered in connection with these chapter 11 cases, but shall be subject to the terms of the Consulting Agreement itself, including as to any expense budget attached thereto.

19. Consultant is hereby granted a first-priority security interest and lien upon (i) the Additional Consultant Goods and (ii) Consultant's portion of the Additional Consultant Goods proceeds, which security interest shall be deemed perfected on an interim basis pursuant to this Interim Order without the requirement of filing UCC financing statements or providing notifications to any prior secured parties (provided that Consultant is hereby authorized to deliver any notices and file any financing statements and amendments thereof under the applicable UCC

identifying Consultant's interest in the Additional Consultant Goods (and any proceeds thereof) as consigned goods thereunder and the Debtors as the consignee therefor, and Consultant's security interest in such Additional Consultant Goods and Consultant's portion of the Additional Consultant Goods proceeds). As part of each weekly reconciliation, the Debtors shall turnover all proceeds from the sale of Additional Consultant Goods to the Consultant, net of any fee payable to the Debtors pursuant to the Consulting Agreement.

20. To the extent that Stage Stores' private label credit cards, issued by Comenity Bank pursuant to that certain Amended and Restated Private Label Credit Card Agreement dated as of August 8, 2012, will be permitted to purchase Additional Consultant Goods and/or FF&E, those Additional Consultant Goods and FF&E will be treated the same as Debtors' goods under the private credit as if they were Stage Stores' Merchandise.

21. Subject to the restrictions set forth in this Interim Order and the Store Closing Procedures, the Debtors and the Consultant hereby are authorized to take any and all actions as may be necessary or desirable to implement the Consulting Agreement and the Store Closings; and each of the transactions contemplated by the Consulting Agreement, and any actions taken by the Debtors and the Consultant necessary or desirable to implement the Consulting Agreement and/or the Store Closings prior to the date of this Interim Order, hereby are approved and ratified.

II. Authority to Engage in Store Closings.

22. The Debtors are authorized, but not directed, on an interim basis pending the Final Hearing, pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, to immediately conduct the Store Closing Sales at the Closing Locations in accordance with this Interim Order, the Store Closing Procedures and the Consulting Agreement.

23. The Store Closing Procedures are approved in their entirety on an interim basis.

24. The Debtors are authorized to discontinue operations at the Closing Locations in accordance with this Interim Order and the Store Closing Procedures.

25. All entities that are presently in possession of some or all of the Merchandise or FF&E in which the Debtors hold an interest that are or may be subject to the Consulting Agreement or this Interim Order hereby are directed to surrender possession of such Merchandise or FF&E to the Debtors or the Consultant. Debtors shall immediately serve a copy of this Interim Order on any party alleged to be in possession of said Merchandise or FF&E.

26. Subject to Section IV of this Interim Order, neither the Debtors nor the Consultant nor any of their officers, employees, or agents shall be required to obtain the approval of any third party, including (without limitation) any Governmental Unit (as defined in Bankruptcy Code section 101(27)) or landlord, to conduct the Store Closing Sales and to take the related actions authorized herein.

III. Conduct of the Store Closing Sales.

27. All newspapers and other advertising media in which the Store Closings may be advertised and all landlords are directed to accept this Interim Order as binding authority so as to authorize the Debtors and the Consultant to conduct the Store Closing Sales and the sale of Merchandise and FF&E pursuant to the Consulting Agreement, including, without limitation, to conduct and advertise the sale of the Merchandise and FF&E in the manner contemplated by and in accordance with this Interim Order, the Store Closing Procedures, and the Consulting Agreement. Nothing herein shall be construed to require newspapers or other advertising media to change or modify their normal process for accepting advertising relevant to any Sale.

28. The Debtors and the Consultant are hereby authorized to take such actions as may be necessary and appropriate to implement the Consulting Agreement and to conduct the Store Closings without necessity of further order of this Court as provided in the Consulting

Agreement or the Store Closing Procedures, including, but not limited to, advertising the sale as a “store closing sale”, “sale on everything”, “everything must go”, or similar-themed sales through the posting of signs (including the use of exterior banners at non-enclosed mall closing locations, and at enclosed mall closing locations to the extent the applicable closing location entrance does not require entry into the enclosed mall common area), use of sign-walkers and street signage; *provided*, however, that only Debtor-approved terminology will be used at each Store in connection with the Store Closings.

29. Notwithstanding anything herein to the contrary, and in view of the importance of the use of sign-walkers, banners, and other advertising to the sale of the Merchandise and FF&E, to the extent that, prior to the Final Hearing, disputes arise during the course of such sale regarding laws regulating the use of sign-walkers, banners, or other advertising and the Debtors and the Consultant are unable to resolve the matter consensually, any party may request an immediate telephonic hearing with this Court pursuant to these provisions. Such hearing will, to the extent practicable, be scheduled initially no later than the earlier of (a) the Final Hearing or (b) within two business days of such request. This scheduling shall not be deemed to preclude additional hearings for the presentation of evidence or arguments as necessary.

30. Nothing in the Consulting Agreement, the Store Closing Procedures or this Interim Order releases, nullifies, or enjoins the enforcement of any liability to a Governmental Unit under environmental laws or regulations (or any associated liabilities for penalties, damages, cost recovery, or injunctive relief) to which any entity would be subject as the owner, lessor, lessee, or operator of the property after the date of entry of this Interim Order. Nothing contained in this Interim Order, the Consulting Agreement, or the Store Closure Procedures shall in any way: (a) diminish the obligation of any entity to comply with environmental laws; or (b) diminish the

obligations of the Debtors to comply with environmental laws consistent with their rights and obligations as debtors in possession under the Bankruptcy Code, and the Debtors reserve all rights related thereto.

31. Except as expressly provided in the Consulting Agreement, the sale of the Merchandise and FF&E shall be conducted by the Debtors and the Consultant notwithstanding any restrictive provision of any lease, sublease, or other agreement relative to occupancy affecting or purporting to restrict the conduct of the Store Closing Sales, the rejection of leases, abandonment of assets, or “going dark” provisions. The Debtors, the Consultant, and landlords of the closing locations are authorized to enter into agreements (“Side Letters”) between themselves modifying the Store Closing Procedures without further order of the Court, and such Side Letters shall be binding as among the Debtors, the Consultant, and any such landlords. In the event of any conflict between the Store Closing Procedures and any Side Letter, the terms of such Side Letter shall control.

32. Except as expressly provided for herein or in the Store Closing Procedures, no person or entity, including, but not limited to, any landlord, licensor, service providers, utilities, or creditor, shall take any action to directly or indirectly prevent, interfere with, or otherwise hinder consummation of the Store Closing Sales, or the advertising and promotion (including the posting of signs and exterior banners or the use of sign-walkers) of such sales, and all such parties and persons of every nature and description, including, but not limited to, any landlord, licensor, service providers, utilities, or creditor and all those acting for or on behalf of such parties, are prohibited and enjoined from (a) interfering in any way with, obstructing, or otherwise impeding, the conduct of the Store Closings and/or (b) instituting any action or proceeding in any court (other than in the Court) or administrative body seeking an order or judgment against, among others, the

Debtors, the Consultant, or the landlords at the closing locations that might in any way directly or indirectly obstruct or otherwise interfere with or adversely affect the conduct of the sale or other liquidation sales at the closing locations and/or seek to recover damages for breach(es) of covenants or provisions in any lease, sublease, license, or contract based upon any relief authorized herein.

33. All sales of Store Closing Assets shall be “as is” and final. However, as to the stores, all state and federal laws relating to implied warranties for latent defects shall be complied with and are not superseded by the sale of said goods or the use of the terms “as is” or “final sales.” As to the Closing Locations, all state and federal laws relating to implied warranties for latent defects shall be complied with and are not superseded by the sale of said goods or the use of the terms “as is” or “final sale.”

34. The Consultant shall accept return of any goods that contain a defect which the lay consumer could not reasonably determine was defective by visual inspection prior to purchase for a full refund, provided that the consumer must return the merchandise within the time period proscribed by the Debtors’ return policy that was in effect when the merchandise was purchased, the consumer must provide a receipt, and the asserted defect must in fact be a “latent” defect., which goods shall not be resold by the Debtors.

35. The Consultant shall not be liable for sales taxes except as expressly provided in the Consulting Agreement and the payment of any and all sales taxes is the responsibility of the Debtors. The Debtors are directed to remit all taxes arising from the Store Closing Sales to the applicable Governmental Units as and when due, *provided* that in the case of a bona fide dispute the Debtors are only directed to pay such taxes upon the resolution of the dispute, if and to the extent that the dispute is decided in favor of the applicable Governmental Unit. For the avoidance

of doubt, sales taxes collected and held in trust by the Debtors shall not be used to pay any creditor or any other party, other than the applicable Governmental Unit for which the sales taxes are collected. The Consultant shall collect, remit to the Debtors and account for sales taxes as and to the extent provided in the Consulting Agreement. This Interim Order does not enjoin, suspend, or restrain the assessment, levy or collection of any tax under state law, and does not constitute a declaratory judgment with respect to any party's liability for taxes under state law.

36. Pursuant to section 363(f) of the Bankruptcy Code, the Consultant, on behalf of the Debtors, is authorized to sell, and all sales of Store Closing Assets, whether by the Consultant or the Debtors, shall be, free and clear of any and all of any liens, claims, encumbrances, and other interests; *provided*, however, that any such liens, claims, encumbrances, and other interests shall attach to the proceeds of the sale of the Store Closing Assets with the same validity, in the amount, with the same priority as, and to the same extent that any such liens, claims, and encumbrances have with respect to the Store Closing Assets, subject to any claims and defenses that the Debtors may possess with respect thereto and the Consultant's fees and expenses (as provided in the Consulting Agreement).

37. Neither the Store Closing Procedures, Consulting Agreement, nor this Interim Order authorize the Debtors to transfer or sell to Consultant or any other party the personal identifying information (which means information which alone or in conjunction with other information identifies an individual, including but not limited to an individual's first name (or initial) and last name, physical address, electronic address, telephone number, social security number, date of birth, government-issued identification number, account number and credit or debit card number ("PII") of any customers or employees unless such sale or transfer is permitted by the Debtors' privacy policy and state, provincial or federal privacy and/or identity theft

prevention laws and rules (collectively, the “Applicable Privacy Laws”). The foregoing shall not limit the Consultant’s use of the Debtors’ customer lists and mailing lists in accordance with the Consulting Agreement solely for purposes of advertising and promoting the Sales. To the extent that the Debtors propose to sell or abandon FF&E which may contain PII or confidential information about the Debtors’ employees and/or customers, the Debtors shall remove the PII from such items of FF&E before such sale or abandonment. At the conclusion of the Sales, the Consultant shall provide the Debtors with written verification that the Consultant has not removed, copied, or sold any customer PII and that any records containing PII were shredded, erased or otherwise modified to render the PII unreadable or undecipherable prior to any sales. Debtors shall prepare and file a declaration of compliance within 30 days from the conclusion of each sale which reflects if any sale or abandonment of FF&E containing PII has taken place and that removal of the PII has occurred.

38. The Debtors and/or the Consultant (as the case may be) are authorized and empowered to transfer Store Closing Assets among the stores. The Consultant is authorized to sell the Debtors’ FF&E and abandon the same, in each case, as provided for and in accordance with the terms of the Consulting Agreement, provided that, to the extent prohibited by applicable law, the Consultant and Debtors are not authorized to abandon, and the Debtors are directed to remove and properly dispose of, any hazardous materials defined under applicable law of the jurisdiction in which the materials are located from any leased premises as and to the extent required by applicable law of the jurisdiction in which the lease premises lies.

39. Notwithstanding this or any other provision of this Interim Order, nothing shall prevent or be construed to prevent the Consultant (individually, as part of a joint venture, or otherwise) or any of its affiliates from bidding on the Debtors’ assets not subject to the Consulting

Agreement, pursuant to a consulting agreement, or otherwise (“Additional Assets”). The Consultant is hereby authorized to bid on and guarantee or otherwise acquire such Additional Assets notwithstanding anything to the contrary in the Bankruptcy Code or other applicable law, *provided* that such guarantee, transaction or acquisition is approved by separate order of this Court.

IV. Dispute Resolution Procedures with Governmental Units.

40. Nothing in this Interim Order, the Consulting Agreement, or the Store Closing Procedures, releases, nullifies, or enjoins the enforcement of any liability to a Governmental Unit under environmental laws or regulations (or any associated liabilities for penalties, damages, cost recovery, or injunctive relief) to which any entity would be subject as the owner, lessor, lessee, or operator of the property after the date of entry of this Interim Order. Nothing contained in this Interim Order, the Consulting Agreement, or the Store Closing Procedures shall in any way (a) diminish the obligation of any entity to comply with environmental laws or (b) diminish the obligations of the Debtors to comply with environmental laws consistent with its rights and obligations as debtor in possession under the Bankruptcy Code. The Store Closings shall not be exempt from laws of general applicability, including, without limitation, public health and safety, criminal, tax, labor, employment, environmental, antitrust, fair competition, traffic and consumer protection laws, including local laws, regulations, ordinances, or police powers of general applicability regarding matters such as regulating deceptive practices and false advertising (collectively, “General Laws”). Nothing in this Interim Order, the Consulting Agreement or the Store Closing Procedures, shall alter or affect obligations to comply with all applicable federal safety laws and regulations. Nothing in this Interim Order shall be deemed to bar any Governmental Unit (as such term is defined in section 101(47) of the Bankruptcy Code) from enforcing General Laws in the applicable non-bankruptcy forum, subject to the Debtors’ rights to assert in that forum or before this Court that any such laws are not in fact General Laws or that

such enforcement is impermissible under the Bankruptcy Code, this Interim Order, or otherwise, pursuant to paragraph 38 herein. Notwithstanding any other provision in this Interim Order, no party waives any rights to argue any position with respect to whether the conduct was in compliance with this Interim Order and/or any applicable law, or that enforcement of such applicable law is preempted by the Bankruptcy Code. Nothing in this Interim Order shall be deemed to have made any rulings on any such issues.

41. To the extent that the sale of Store Closing Assets is subject to Applicable Sale Laws, including any federal, state, or local statute, ordinance, or rule, or licensing requirement directed at regulating “going out of business,” “store closing,” similar inventory liquidation sales, or bulk sale laws, including laws restricting safe, professional, and non-deceptive, customary advertising such as signs, banners, posting of signage, and use of sign-walkers solely in connection with the sale and including ordinances establishing license or permit requirements, waiting periods, time limits or bulk sale restrictions that would otherwise apply solely to the sale of the Store Closing Assets, or any similar laws, the dispute resolution procedures in this section shall apply:

- (a) Provided that the Store Closings are conducted in accordance with the terms of this Interim Order and the Store Closing Procedures, and in light of the provisions in the laws of many Governmental Units that exempt court-ordered sales from their provisions, the Debtors shall be presumed to be in compliance with any Applicable Sale Laws and, subject to Paragraph 37 hereof, are authorized to conduct the Store Closings in accordance with the terms of this Interim Order and the Store Closing Procedures without the necessity of further showing compliance with any Applicable Sale Laws.
- (b) Within two business days after entry of this Interim Order, the Debtor shall serve copies of this Interim Order, the Consulting Agreement and the Store Closing Procedures via email, facsimile, or regular mail, on the following: (i) the United States Trustee; (ii) the state attorney general’s office for each state where the Store Closings are being held; (iii) the county consumer protection agency or similar agency for each county where the Store Closings will be held; (iv) the division of consumer protection for each state where the Store Closings will be held; (v) the chief legal counsel for the local jurisdiction; and (vi) the landlords for the stores.

- (c) To the extent there is a dispute arising from or relating to the Store Closings, this Interim Order, the Consulting Agreement, or the Store Closing Procedures, which dispute relates to any Applicable Sale Laws (a “Reserved Dispute”), this Court shall retain exclusive jurisdiction to resolve the Reserved Dispute. Any time within ten days following entry of this Interim Order, any Governmental Unit may assert that a Reserved Dispute exists by serving written notice of such Reserved Dispute (which may be by e-mail) to counsel for the Debtors so as to ensure delivery thereof within one business day thereafter. If the Debtors and the Governmental Unit are unable to resolve the Reserved Dispute within fifteen days after service of the notice, the aggrieved party may file a motion with this Court requesting that this Court resolve the Reserved Dispute (a “Dispute Resolution Motion”).
- (d) In the event a Dispute Resolution Motion is filed, nothing in this Interim Order shall preclude the Debtors, a landlord, or other interested party from asserting (i) that the provisions of any Applicable Sale Laws are preempted by the Bankruptcy Code or (ii) that neither the terms of this Interim Order nor the conduct of the Debtors pursuant to this Interim Order, violates such Applicable Sale Laws. Filing a Dispute Resolution Motion as set forth herein shall not be deemed to affect the finality of any order or to limit or interfere with the Debtors’ or the Consultant’s ability to conduct or to continue to conduct the Store Closings pursuant to this Interim Order, absent further order of this Court. This Court grants authority for the Debtors and the Consultant to conduct the Store Closings pursuant to the terms of this Interim Order, the Consulting Agreement, and/or the Store Closing Procedures and to take all actions reasonably related thereto or arising in connection therewith. The Governmental Unit shall be entitled to assert any jurisdictional, procedural, or substantive arguments it wishes with respect to the requirements of its Applicable Sale Laws or the lack of any preemption of such Applicable Sale Laws by the Bankruptcy Code. Nothing in this Interim Order shall constitute a ruling with respect to any issues to be raised in any Dispute Resolution Motion.
- (e) If, at any time, a dispute arises between the Debtors and/or the Consultant and a Governmental Unit as to whether a particular law is an Applicable Sale Law, and subject to any provisions contained in this Interim Order related to the Applicable Sale Laws, then any party to that dispute may utilize the provisions hereunder by serving a notice to the other party and proceeding thereunder in accordance with those paragraphs. Any determination with respect to whether a particular law is an Applicable Sale Law shall be made *de novo*.

42. Except as expressly provided for herein or in the Store Closing Procedures, and except with respect to any Governmental Unit (as to which paragraphs 37 and 38 shall apply), no person or entity, including but not limited to any landlord, licensor, or creditor, shall take any action to directly or indirectly prevent, interfere with, or otherwise hinder consummation of the

Store Closings, or the advertising and promotion (including the posting of signs or the use of sign walkers) of the Store Closings, and all such parties and persons of every nature and description, including landlords, licensors, creditors and utility companies and all those acting for or on behalf of such parties, are prohibited and enjoined from (a) interfering in any way with, or otherwise impeding, the conduct of the Store Closings and/or (b) instituting any action or proceeding in any court or administrative body seeking an order or judgment against, among others, the Debtors, the Consultant, or the landlords at the stores that might in any way directly or indirectly obstruct or otherwise interfere with or adversely affect the conduct of the Store Closings and/or seek to recover damages for breach(es) of covenants or provisions in any lease, sublease or license based upon any relief authorized herein.

43. Any restrictions in any lease agreement, restrictive covenant, or similar documents purporting to limit, condition, or impair the Debtors' ability to conduct the Store Closings shall not be enforceable, nor shall any breach of such provisions in these chapter 11 cases constitute a default under a lease or provide a basis to terminate the lease; *provided* that the Store Closings are conducted in accordance with the terms of this Interim Order and the Store Closing Procedures.

44. Subject to Paragraphs 37 and 38 above, each and every federal, state, or local agency, departmental or governmental unit with regulatory authority over the Store Closings and all newspapers and other advertising media in which the Store Closings are advertised shall consider this Interim Order as binding authority that no further approval, license, or permit of any governmental unit shall be required, nor shall the Debtors be required to post any bond, to conduct the Store Closings.

45. Provided that the Store Closing Sales are conducted in accordance with the terms of this Interim Order, the Consulting Agreement, and the Store Closing Procedures, and in light of

the provisions in the laws that exempt court-ordered sales from their provisions, the Debtors shall be presumed to be in compliance with any Applicable Sale Laws and are authorized to conduct the Store Closings in accordance with the terms of this Interim Order and the Store Closing Procedures without the necessity of further showing compliance with any such Applicable Sale Laws.

46. To the extent that between the Petition Date and the date of the Final Hearing there is Reserved Dispute, the Court shall retain exclusive jurisdiction to resolve the Reserved Dispute which such Reserved Dispute will be heard at the Final Hearing, absent a party obtaining expedited relief. Nothing in this Interim Order shall constitute a ruling with respect to any issues to be raised with respect to a Reserved Dispute. Any Governmental Unit may assert a Reserved Dispute by sending a written notice (which may be by e-mail) explaining the nature of the dispute to: (a) Stage Stores, Inc., 2425 West Loop South, Houston, Texas 77027, Attn: Office of the General Counsel (legalnotices@stage.com); (b) proposed co-counsel to the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com) and Neil E. Herman (neil.herman@kirkland.com), Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn.: Joshua M. Altman (josh.altman@kirkland.com), and Jackson Walker L.L.P., 1401 McKinney Street, Suite 1900, Houston, Texas 77010, Attn.: Matthew D. Cavanaugh (mcavanaugh@jw.com); (c) the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn.: Hector Duran (hector.duran.jr@usdoj.gov) and Stephen Statham (stephen.statham@usdoj.gov); (d) counsel to any statutory committee appointed in these chapter 11 cases; (e) counsel to the Consultant, Katten Muchin Rosenman LLP, 575 Madison Avenue, New York, New York 10022, Attn.: Cindi M. Giglio (cindi.giglio@katten.com); and (f) any affected landlord and their counsel of record (if known).

V. Consumer Provisions.

47. For the first 30 days from the date of the reopening of any store to the public, the Debtors shall accept returns of merchandise sold by the Debtors in the ordinary course prior to any Sale Commencement Date; *provided* that such return is otherwise in compliance with the Debtors' return policies in effect as of the date such item was purchased and the customer is not repurchasing the same item so as to take advantage of the sale price being offered in the Store

48. Closings; *provided*, further, that (a) returns of items sold on a "final" basis, including items sold in the initial closing stores on a "final" basis pursuant to the Store Closing Order, shall not be accepted, and (b) gift cards may not be returned for cash.

49. Notwithstanding anything herein, all state and federal laws relating to implied warranties for latent defects shall be complied with and are not superseded by the sale of said goods or the use of the terms "as is" or "final sales." The Debtors shall accept return of any goods purchased during the Store Closings that contain a defect which the lay consumer could not reasonably determine was defective by visual inspection prior to purchase for a full refund; *provided*, that the consumer must return the merchandise within 30 days of their purchase, the consumer must provide a receipt for the purchase to the Debtors, and the asserted defect must in fact be a "latent" defect, which goods shall not be resold by the Debtors

50. For the first 30 days from the date of the reopening of any store to the public, such store will continue to accept the Debtors' validly-issued gift certificates and gift cards issued prior to the Sale Commencement Date for in-person (and only in person) purchases in the ordinary course of business. After the expiration of the 30 days to utilize gift certificates and gift cards in-store, all such validly-issued gift certificates and gift cards will no longer be accepted by the Debtors and deemed to have no remaining value. Notwithstanding any policy or state law to the contrary, the gift cards are not redeemable for cash at any time.

51. The Debtors and the Consultant shall post conspicuous signs in their stores, including at their cash registers, explaining the above “consumer provisions” to customers, including the return policies and gift card policy, which shall remain posted throughout the duration of the Store Closings. In addition, the Debtors will post notice of the changes to gift cards and customer programs on the Debtors’ website.

VI. Other Provisions.

52. The Consultant shall not be liable for any claims against the Debtors, and the Debtors shall not be liable for any claims against the Consultant, in each case, other than as expressly provided for in the Consulting Agreement.

53. Within 30 days of conclusion of the Sale, the Debtors shall (a) file with the Court a summary report of the store closing process that will include (i) a list of the stores closed and (ii) gross revenue from the store closing assets sold, and (b) file with the Court and serve on the U.S. Trustee and any statutory committee report showing payment of each of the Consultant’s fees, setting forth detail and information regarding the calculation of such fees paid to the Consultant and expenses reimbursed to the Consultant.

54. The Consultant will file a supplemental declaration disclosing all connections at least 7 days prior to the final hearing.

55. The Debtors shall have no obligation to indemnify Consultant or provide contribution or reimbursement to Consultant for any claim or expense arising under the Store Closing Procedures or Consulting Agreement that is either: (i) judicially determined (the determination having become final) to have arisen from Consultant’s gross negligence, willful misconduct, fraud, breach of fiduciary duty (if any) or bad faith or (ii) settled prior to a judicial determination as to Consultant’s gross negligence, willful misconduct, fraud, breach of fiduciary duty (if any), or bad faith, but determined by this Court, after notice and a hearing to be a claim or

expense for which the Consultant should not receive indemnity, contribution or reimbursement pursuant to the Store Closing Procedures or Consulting Agreement.

56. This Court shall retain exclusive jurisdiction with regard to all issues or disputes relating to this Interim Order or the Consulting Agreement, including, but not limited to, (a) any claim or issue relating to any efforts by any party or person to prohibit, restrict or in any way limit banner and sign-walker advertising, including with respect to any allegations that such advertising is not being conducted in a safe, professional, and non-deceptive manner, (b) any claim of the Debtors, the landlords and/or the Consultant for protection from interference with the Store Closing Sales, (c) any other disputes related to the Store Closing Sales, and (d) to protect the Debtors and/or the Consultant against any assertions of any liens, claims, encumbrances, and other interests. No such parties or person shall take any action against the Debtors, the Consultant, the landlords or the Store Closing Sales until this Court has resolved such dispute. This Court shall hear the request of such parties or persons with respect to any such disputes on an expedited basis, as may be appropriate under the circumstances.

Signed: May 13, 2020.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1-A

Master Consulting Agreement



Gordon Brothers

Effective May 2, 2019

To: Specialty Retailers, Inc.
2425 West Loop South
Houston, Texas 77027

From: Gordon Brothers Retail Partners, LLC
800 Boylston Street
27th Floor
Boston, MA 02199

Re: Store Closing Program – Master Consulting Agreement

Ladies and Gentlemen:

This letter shall serve as the agreement of Gordon Brothers Retail Partners, LLC (“GB” or the “Consultant”) and Specialty Retailers, Inc. (the “Merchant” and together with Consultant, the “Parties”) pursuant to which Consultant shall advise Merchant on best practices for conducting a “store closing,” “everything must go,” “sale on everything,” and other mutually agreed upon themed sale (“Sale”) at certain of Merchant’s retail stores as identified pursuant to Section 2 below (each a “Store” and collectively the “Stores”), subject to the terms and conditions set forth herein.

1. SERVICES

(A) Consultant shall, throughout the Sale Term:

- (i) Recommend appropriate discounting to effectively sell all of the goods located at the Stores as of the Sale Commencement Date or thereafter delivered to the Stores with the mutual agreement of the Parties in accordance with a “Sale, and recommend appropriate point-of-purchase, point-of-sale, and other internal and external advertising in connection therewith. The sales and promotional plan designed by Consultant will seek to maximize sales during a pre-determined and mutually agreed upon period of time for each Store.
- (ii) Provide a main operations point of contact and qualified field personnel to assist with the conduct of the Sale, as may be mutually agreed from time to time.
- (iii) Assist Merchant with ensuring that the Sale conducted at each Store is in compliance with lease obligations, which obligations shall be identified by

Merchant to Consultant in advance of the Sale Commencement Date, and in the absence thereof, Consultant shall be permitted to advertise the Sale as a “store closing,” “everything must go,” “sale on everything,” and other mutually agreed upon themed sale.

- (iv) Establish criteria and processes for evaluation of sales of Merchant’s goods located at the Stores by category, including sales reporting and expense monitoring, and utilize such report to optimize the promotional cadence and merchandise mix.
- (v) Recommend loss prevention strategies.
- (vi) Coordinate with Merchant so that the operation of the Stores is being properly maintained including ongoing customer service and housekeeping activities.
- (vii) Recommend appropriate staffing levels for the Stores and appropriate bonus and/or incentive programs (to be funded by Merchant) for Store employees, and advise on strategies designed to maximize associate retention through the store conversion.
- (viii) Provide marketing services, including recommending strategies designed to maximize customer retention through store conversion, designing campaigns and related collateral, producing in store collateral, coordinating with Merchant’s internal marketing team on execution of email campaigns, and other services of a similar nature, all of which shall be mutually agreed.
- (ix) Advise Merchant with respect to the permitting requirements of affecting the Sale as a “store closing” or other mutually agreed upon theme in compliance with applicable state and local “going out of business” laws. In connection with such obligation, Consultant will (i) advise Merchant of the applicable waiting period under such laws, and/or (ii) prepare (in Merchant’s name and for Merchant’s signature) all permitting paperwork as may be necessary under such laws, deliver all such paperwork to Merchant, and file, on behalf of Merchant, all such paperwork where necessary, and/or (iii) advise where permitting paperwork and/or waiting periods do not apply.

2. **SALE TERM; VACATING STORES**

(A) Attached as Schedule 1 is a form of Statement of Work (a “SOW”), which Merchant and Consultant shall complete and execute in connection with each “wave” of Stores that Merchant wishes to close pursuant to this Agreement (each, a “Wave”). The list of Stores to be closed in each Wave shall be identified on Exhibit A to a SOW. The term “Sale Term” with respect to each Wave shall commence on or about the start date set forth on its respective SOW (each, a “Sale Commencement Date”) and shall end on the end date set forth on its respective SOW (each, a “Sale Termination Date”); provided however, that Consultant and Merchant may

mutually agree upon an earlier or later “Sale Commencement Date” or “Sale Termination Date” with respect to any one or more Stores (on a Store-by-Store basis) within such Wave.

(B) Upon the conclusion of the Sale Term at each Store, Consultant shall leave such Store in broom clean condition, subject to Consultant’s right pursuant to Section 6 below to abandon in a neat and orderly manner all unsold Offered FF&E and all Retained FF&E.

3. EXPENSES

(A) All expenses incident to the conduct of the Sale and the operation of the Stores during the Sale Term (including without limitation all Consultant Controlled Expenses and all other store-level and corporate expenses associated with the Sale) shall be borne by Merchant; except solely for any “Consultant Controlled Expenses” that exceed the budgeted amount (as provided in Section 3(B) below) for such Consultant Controlled Expenses.

(B) Attached to each SOW as Exhibit B shall be an expense budget for the “Consultant Controlled Expenses” in connection with such wave. Consultant will advance funds for the Consultant’s Controlled Expenses, and Merchant shall reimburse Consultant for the actual cost incurred (up to the budgeted amount) in connection with each weekly reconciliation contemplated by Section 5(B) upon presentation of reasonable documentation for such expenses.

(C) The parties may from time to time mutually agree in writing to increase the budget of Consultant Controlled Expenses based upon circumstances of the Sale, or to reallocate the budgeted amount across the line items within the aggregate amount of Consultant’s Controlled Expenses.

4. CONSULTANT COMPENSATION

(A) Definitions. As used herein, the following terms shall have the following meanings:

- (i) “Cost Value” with respect to each item of Merchandise sold, shall be determined by reference to the lower of (1) the lowest per unit vendor cost in the File or in Merchant’s books and records, maintained in the ordinary course consistent with historic practices; or (2) the Retail Price.
- (ii) “File” shall mean any inventory file identified on a SOW or otherwise delivered to Consultant in connection with its diligence in connection with execution thereof.
- (iii) “Gross Proceeds” shall mean the sum of the gross proceeds of all sales of Merchandise (including as a result of the redemption of any gift card, gift certificate, or merchandise credit) during the Sale Term, net only of returns and sales taxes.
- (iv) “Gross Recovery Percentage” shall mean the Gross Proceeds divided by the sum of the aggregate Cost Value of all of the Merchandise.

- (v) "Merchandise" shall mean all goods actually sold in the Stores during the Sale Term, the aggregate amount of which shall be determined using the gross rings inventory taking method. Merchandise shall not include consigned goods and any other goods for which Merchant does not have title, including Additional Consultant Goods.
- (vi) "Retail Price" shall mean with respect to each item of Merchandise sold, the lower of the lowest ticketed, marked, shelf, stickered, hang-tag, or File price.

(B) **Merchandise Fee.** In consideration of its services hereunder, Merchant shall pay Consultant a "Merchandise Fee" for each Wave as identified on the respective SOW for such Wave.

(C) **Non-Merchandise.** Consultant shall have no obligations with respect to any goods not constituting Merchandise hereunder.

(D) **Gross Rings.** For purposes of calculating Gross Proceeds, Gross Recovery Percentage and the Consultant's Merchandise Fee for each Wave, the parties shall use the "Gross Rings" method, wherein Merchant shall keep (i) a strict count of gross register receipts less applicable sales taxes, and (ii) cash reports of sales for each Store. Register receipts shall show for each item sold the Cost Value and Retail Price (as reflected on Merchant's books and records) for such item, and the markdown or other discount granted in connection with such sale. All such records and reports shall be made available to Consultant during regular business hours upon reasonable notice.

(E) **Weekly Payments.** On a weekly basis in connection with each weekly reconciliation contemplated by Section 5(B) below, Merchant shall pay Consultant, for each Wave then being conducted, an amount equal to the minimum percentage fee set forth on the respective SOW multiplied by Gross Proceeds on account of the prior week's sales in such Wave as an advance on account of the Merchandise Fee payable thereunder; and (2) any FF&E Commission (as defined below) earned during the prior week. The parties shall determine the definitive Gross Recovery Percentage, Merchandise Fee, and FF&E Commission (and in the case of Merchant, any Additional Consultant Goods Fee, if any,) in connection with the Final Reconciliation for each Wave. Immediately thereafter (and as part of the Final Reconciliation), Merchant or Consultant, as the case may be, shall pay any additional amount owed on account of such fees.

5. CONDUCT OF SALE; OTHER SALE MATTERS

(A) Merchant shall have control over the personnel in the Stores and shall handle the cash, debit and charge card payments for all Merchandise in accordance with Merchant's normal cash management procedures, subject to Consultant's right to audit any such items in the event of a good faith dispute as to the amount thereof. Merchant (and not Consultant) shall be responsible for ensuring that the Sale, and the operation of the Stores (before, during, and after the Sale Term) shall be conducted in compliance with all applicable laws and regulations.

(B) The parties will meet bi-weekly during the Sale Term to review any Sale matters reasonably requested by either party; and all amounts payable or reimbursable to Consultant for the prior weeks (or the partial weeks in the case of the first and last weeks) shall be reconciled and paid immediately thereafter. No later than twenty (20) days following the end of the Sale in each Wave, the parties shall complete a final reconciliation and settlement of all amounts contemplated by this Agreement ("Final Reconciliation"). From time to time upon request, each party shall prepare and deliver to the other party such other reports as either party may reasonably request. Each party to this Agreement shall, at all times during the Sale Term and during the one (1) year period thereafter, provide the other with access to all information, books and records relating to the Sale and to this Agreement. All records and reports shall be made available to Consultant and Merchant during regular business hours upon reasonable notice.

(C) Merchant shall be solely responsible for the computing, collecting, holding, reporting, and paying all sales taxes associated with the sale of Merchandise during the respective Sale Terms, and Consultant shall have absolutely no responsibilities or liabilities therefor.

(D) Although Consultant shall undertake its obligations under this Agreement in a manner designed to achieve the desired results of the Sale and to maximize the recovery to the Merchant, Merchant expressly acknowledges that Consultant is not guaranteeing the results of the Sale.

(E) Merchant acknowledges that (i) the parties are not conducting an inventory of Merchant's goods located at the Stores; (ii) Consultant has made no independent assessment of the beginning levels of such goods; and (iii) Consultant shall not bear any liability for shrink or other loss to Merchant's goods located at the Stores (including without limitation Merchandise). Merchant may, at its election, conduct an inventory at some or all of the Stores and Consultant agrees to cooperate with such inventory taking if and when done.

(F) All sales of Merchandise in the Stores during the Sale shall be made in the name, and on behalf, of Merchant.

(G) The parties will mutually agree upon the date for which Merchandise will be advertised as "final sales" and "as is," and at such time the sales receipts will reflect the same.

(H) Consultant shall, during the Sale Term at the Stores, cooperate with Merchant in respect of Merchant's procedures governing returns of goods otherwise sold by Merchant (e.g., not in the Stores during the Sale Term).

(I) Concurrently with the execution of, and as a condition to Consultant's obligations under, this Agreement, Merchant shall fund to Consultant the advance amount specified on a SOW (the "Special Purpose Payment") which shall be held by Consultant until the Final Reconciliation for the last Wave hereunder (and Merchant shall not apply the Special Purpose Payment to, or otherwise offset any portion of the Special Purpose Payment against, any weekly reimbursement, payment of fees, or other amount owing to Consultant under this Agreement prior to such Final Reconciliation). Without limiting any of Consultant's other rights, Consultant may apply the Special Purpose Payment to any unpaid obligation owing by Merchant to Consultant under this Agreement. The Special Purpose Payment shall be offset against any sums that Merchant owes

to Consultant under this Agreement at the Final Reconciliation and Consultant shall return any remaining portion of the Special Purpose Payment to Merchant within three days following the Final Reconciliation for the last Wave hereunder.

6. FF&E

(A) Promptly following the Sale Commencement Date for each Wave, Merchant shall inform Consultant of those items of owned furnishings, trade fixtures, equipment, machinery, office supplies, conveyer systems, racking, rolling stock, any vehicles or other modes of transportation, and other personal property (collectively, "FF&E") located at the Stores included within such Wave which are to be sold (collectively, "Non-Retained FF&E").

(B) With respect to all FF&E located at the Stores as of the Sale Commencement Date which is Non-Retained FF&E, Consultant shall have the right to sell such Non-Retained FF&E during the Sale Term on a commission basis equal to the agreed-upon percentage set forth in a SOW of the gross sales of Non-Retained FF&E, net only of sales tax ("FF&E Commission").

(C) Merchant shall reimburse Consultant for its reasonable sale expenses associated with the sale of the Non-Retained FF&E, not to exceed the amount shown on an FF&E expense budget, to be mutually and reasonably agreed to by the parties promptly after Merchant identifies/designates/distinguishes the Non-Retained FF&E for each Wave ("FF&E Expenses").

(D) Consultant shall have the right to abandon any unsold Non-Retained FF&E at the Stores at the conclusion of the applicable Sale Term without liability to Merchant or any third party. Consultant shall have no responsibility with respect to any FF&E that is not Non-Retained FF&E or any other personal property except as may be mutually agreed to by the Parties.

7. ADDITIONAL CONSULTANT GOODS

(A) In connection with the Sale, and subject to compliance with applicable law, Consultant shall have the right, at Consultant's sole cost and expense, to supplement the Merchandise in the Sale with additional goods procured by Consultant which are of like kind, and no lesser quality to the Merchandise in the Sale ("Additional Consultant Goods"). The Additional Consultant Goods shall be purchased by Consultant as part of the Sale, and delivered to the Stores at Consultant's sole expense (including labor, freight and insurance relative to shipping such Additional Consultant Goods to the Stores). Sales of Additional Consultant Goods shall be run through Merchant's cash register systems; provided, however, that Consultant shall mark the Additional Consultant Goods using either a "dummy" SKU or department number, or in such other manner so as to distinguish the sale of Additional Consultant Goods from the sale of Merchandise. If required by law, Consultant and Merchant shall also cooperate so as to ensure that the Additional Consultant Goods are marked in such a way that a reasonable consumer could identify the Additional Consultant Goods as non-Merchant goods. In such case, Consultant shall provide signage in the Stores notifying customers that the Additional Consultant Goods have been included in the Sale. Absent Merchant's written consent, and Consultant's agreement to

reimburse Merchant for any associated expenses, Consultant shall not use Merchant's distribution centers for any Additional Consultant Goods.

(B) Consultant shall pay to Merchant an amount equal to the agreed-upon percentage set forth in SOW of the gross proceeds (excluding sales taxes) from the sale of the Additional Consultant Goods (the "Additional Consultant Goods Fee"), and Consultant shall retain all remaining amounts from the sale of the Additional Consultant Goods. Consultant shall pay Merchant its Additional Consultant Goods Fee in connection with each bi-weekly sale reconciliation with respect to sales of Additional Consultant Goods sold by Consultant during each then prior week in each Wave (or at such other mutually agreed upon time).

(C) Additional Consultant Goods offered for Sale in the Stores will be materially similar to the existing family-oriented assortment in the Stores and subject to approval of Merchant. Consultant and Merchant intend that the transactions relating to the Additional Consultant Goods are, and shall be construed as, a true consignment from Consultant to Merchant in all respects and not a consignment for security purposes. Subject solely to Consultant's obligations to pay to Merchant the Additional Consultant Goods Fee, at all times and for all purposes the Additional Consultant Goods and their proceeds shall be the exclusive property of Consultant, and no other person or entity shall have any claim against any of the Additional Consultant Goods or their proceeds. The Additional Consultant Goods shall at all times remain subject to the exclusive control of Consultant.

(D) Merchant shall, at Consultant's sole cost and expense, insure the Additional Consultant Goods and, if required, promptly file any proofs of loss with regard to same with Merchant's insurers. Consultant shall be responsible for payment of any deductible (or its proportional share in relation to the Consultant Consigned Goods) under any such insurance in the event of any casualty affecting the Consultant Consigned Goods.

(E) Merchant acknowledges that the Additional Consultant Goods shall be consigned to Merchant as a true consignment under Article 9 of the Uniform Commercial Code (the "UCC"). Consultant is hereby granted a first priority security interest in and lien upon (i) the Additional Consultant Goods and (ii) the Additional Consultant Goods proceeds less the Additional Consultant Goods Fee, and Consultant is hereby authorized to file UCC financing statements and provide notifications to any prior secured parties.

(F) In lieu of the true consignment nature of the Additional Consultant Goods, the Parties may mutually agree in any SOW to alternative treatment thereof.

8. INSURANCE; RISK OF LOSS

(A) During the Sale Term: (a) Merchant shall maintain (at its expense) insurance with respect to the Merchandise in amounts and on such terms and conditions as are consistent with Merchant's ordinary course operations, and (b) each of Merchant and Consultant shall maintain (at each party's respective expense) comprehensive liability insurance covering injuries to persons and property in or in connection with the Stores, in such amounts as are reasonable and consistent with its ordinary practices, for bodily injury, personal injury and/or property damage. Each party shall be added as an additional insured on all such insurance of the other party, and

each party shall provide the other with certificates of all such insurance prior to the commencement of the Sale.

(B) Notwithstanding any other provision of this Agreement, Merchant and Consultant agree that Consultant shall not be deemed to be in possession or control of the Stores, or the Merchandise or other assets located therein or associated therewith, or of Merchant's employees located at the Stores; and Consultant does not assume any of Merchant's obligations or liabilities with respect thereto.

(C) Notwithstanding any other provision of this Agreement, Merchant and Consultant agree that (with the exception of Additional Consultant Goods) Merchant shall bear all responsibility for liability claims (product liability and otherwise) of customers, employees and other persons arising from events occurring at the Stores, and Merchandise sold in the Stores, before, during and after the Sale Term.

9. INDEMNIFICATION

(A) Consultant shall indemnify and hold Merchant and its affiliates, and their respective officers, directors, employees, consultants, and independent contractors (collectively, "Merchant Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from or related to:

- (i) Consultant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;
- (ii) any harassment or any other unlawful, tortious or otherwise actionable treatment of any employees or agents of Merchant by Consultant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives (including without limitation any supervisors);
- (iii) any claims by any party engaged by Consultant as an employee or independent contractor (including without limitation any non-Merchant employee supervisor) arising out of such employment or engagement; or
- (iv) the negligence, willful misconduct or unlawful acts of Consultant, its affiliates or their respective officers, directors, employees, Consultants, independent contractors or representatives, *provided that* Consultant shall not be obligated to indemnify any Merchant Indemnified Party from or against any claims, demands, penalties, losses, liabilities or damages arising primarily from any Merchant Indemnified Party's gross negligence, willful misconduct, or unlawful act.

(B) Merchant shall indemnify and hold Consultant, its affiliates and their respective officers, directors, employees, consultants, and independent contractors (collectively, "Consultant Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from or related to:

- (i) Merchant's material breach of or failure to comply with any of its agreements,

- covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;
- (ii) any claims by any party engaged by Merchant as an employee or independent contractor arising out of such engagement;
 - (iii) any consumer warranty or products liability claims relating to any Merchandise (except for Additional Consultant Goods); and/or
 - (iv) the negligence, willful misconduct or unlawful acts of Merchant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives, *provided that* Merchant shall not be obligated to indemnify any Consultant Indemnified Party from or against any claims, demands, penalties, losses, liabilities or damages arising primarily from any Consultant Indemnified Party's gross negligence, willful misconduct, or unlawful act.

10. CONFIDENTIALITY

The Confidentiality Agreement entered into by the Parties effective as of April 1, 2019 ("NDA") is incorporated herein by this reference. To the extent consistent with performances of Consultant's duties under this Agreement, Consultant and Merchant agree to hold in confidence Confidential Information in accordance with the terms of the NDA. Consultant may engage independent contractors and/or joint venture partners to assist with the provision of services under this Agreement, provided, however, such contractors or partners must execute a joinder agreeing to the terms of the NDA and Consultant shall remain obligated for its performance hereunder and their compliance therewith.

11. MISCELLANEOUS

This Agreement constitutes the entire agreement between the parties with respect to the matters contemplated hereby and supersedes and cancels all prior agreements, including, but not limited to, all proposals, letters of intent or representations, written or oral, with respect thereto. This Agreement may not be modified except in a written instrument executed by each of the parties hereto. No consent or waiver by any party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligation of such party. The failure on the part of any party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder. Nothing contained in this Agreement shall be deemed to create any relationship between Merchant and Consultant other than that of Consultant as an independent contractor of Merchant, and it is stipulated that the parties are not partners or joint venturers in any way. Unless expressly set forth herein to the contrary, to the extent that either party's consent is required/requested hereunder, such consent shall not be unreasonably withheld or delayed. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns; provided however, that this Agreement may not be assigned by either party without the prior written consent of the other. Written notices contemplated by this Agreement shall be sent by email (i) if to Merchant c/o the person indicated below at the address specified above; and (ii) if to Consultant c/o Mackenzie Shea at mshea@gordonbrothers.com.

[Signature Page to Follow]

Very truly yours,

Gordon Brothers Retail Partners, LLC

By: Richard P. Edwards
Name: *Richard Edwards*
Title: *co-President - Retail*

Agreed and Accepted:

Specialty Retailers, Inc.

By: Jason Curtis
Jason Curtis (May 23, 2019)
Name: Jason Curtis
Title: EVP, CFO
Address: 2425 West Loop South, Houston, TX 77027

Schedule 1:
Form Statement of Work

STATEMENT OF WORK

WAVE # _____

EFFECTIVE _____, 20__

This Statement of Work (the "SOW") is executed pursuant to that certain *Store Closing Program – Master Consulting Agreement* (the "Agreement") effective as of May 2, 2019 by and between Specialty Retailers, Inc. (the "Merchant") and Gordon Brothers Retail Partners, LLC (the "Consultant" and together with Merchant, the "Parties"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

1. The Stores for this Wave are identified on Exhibit A attached hereto.
2. The budget of Consultant Controlled Expenses for this Wave is attached hereto as Exhibit B.
3. The Sale Commencement Date for this Wave shall be _____.
4. The Sale Termination Date for this Wave shall be _____.
5. The File for this Wave is _____.
6. The fee and expenses to be paid by Merchant to Consultant in connection with this Wave are:
 - a. A Merchandise Fee equal to:
 - b. A FF&E Commission equal to [] percent ([]%).
 - c. Reimbursement of Consultant Controlled Expenses in accordance with the Agreement.
7. Consultant shall pay to Merchant any Additional Consultant Goods Fee equal to [] percent ([]%) in accordance with Section 7(B) of the Agreement.
8. Any other changes to the terms and conditions of the Agreement are as follows:

Gordon Brothers Retail Partners, LLC

Specialty Retailers, Inc.

By: _____

Name:

Title:

By: _____

Name:

Title:

- Exhibits:
- A Stores
 - B Budget of Consultant Controlled Expenses

MAJOR CONTRACT APPROVAL FORM

Contract Title: Master Consulting Agreement; SOW Wave #1

Contract Party: Gordon Brothers Retail Partners, LLC.

Company Contact: Jennifer Costa Department: Finance

Contract Amount: \$400,000.00 Contract competitively bid? YES / NO

If not competitively bid, please initial below, as applicable:

- Bid Waiver Form attached
- Bidding requirements do not apply - contract under \$100,000
- Bidding requirements do not apply - other contractual commitments to this vendor make bidding impracticable
- Bidding requirements do not apply – no other vendors provide required items or services

APPROVALS:

Jennifer Costa (May 23, 2019)

SVP, General Counsel and Secretary

Jason Curtis

Jason Curtis (May 23, 2019)

EVP/CFO

N/A

President & CEO

N/A

EVP/CIO

N/A

Compensation Committee – Chairperson

N/A

Company's Outside Legal Counsel

N/A

Authorized Officer (VP and above)

N/A

SVP - Finance & Controller

N/A

EVP/CHRO

N/A

Audit Committee – Chairperson

N/A

Board of Directors – Chairperson

REQUIRED APPROVALS: SVP, General Counsel signature is required on all Major Contracts

All Major Contracts \$100,000 or Under	<ul style="list-style-type: none"> • Authorized Officer; and • SVP, General Counsel; and • EVP/CFO (if IT related)
All Major Contracts over \$100,000 and up to \$250,000 and all Advertising / Media Contracts over \$150,000 and up to \$250,000	<ul style="list-style-type: none"> • Authorized Officer; and • SVP, General Counsel; and • SVP-Finance & Controller or EVP/CFO; and • EVP/CHRO (if employment related); and • EVP/CFO (if IT related)
All Major Contracts over \$250,000 and up to \$1,000,000	<ul style="list-style-type: none"> • Authorized Officer; and • SVP, General Counsel; and • EVP/CFO; and • EVP/CHRO (if employment related); and • EVP/CFO (if IT related)
All Major Contracts over \$1,000,000 and up to \$5,000,000	<ul style="list-style-type: none"> • Authorized Officer; and • SVP, General Counsel; and • EVP/CFO or President & CEO; and • EVP/CHRO (if employment related); and • EVP/CFO (if IT related); and • Company's Outside Legal Counsel
All Major Contracts over \$5,000,000	<ul style="list-style-type: none"> • Authorized Officer; and • SVP, General Counsel; and • EVP/CFO and President & CEO; and • EVP/CHRO (if employment related); and • EVP/CFO (if IT related); and • Company's Outside Legal Counsel
Related Party Transactions	<ul style="list-style-type: none"> • SVP-Finance & Controller or EVP/CFO; and • EVP/CHRO (if employment related); and • President & CEO; and • Audit Committee; and • Company's Outside Legal Counsel; and • Board of Directors (if in excess of \$5,000)
Other Material Transactions	<ul style="list-style-type: none"> • SVP-Finance & Controller or EVP/CFO; and • EVP/CHRO (if employment related); and • President & CEO; and • Company's Outside Legal Counsel; and • Board of Directors

CONTRACT SUBMISSION FORM

Instructions: When submitting a contract to Legal Department for review, you must complete Sections I and II below.

SECTION I: GENERAL CONTRACT INFORMATION

Stage Contact (Business Partner) and Extension:	Jenn Costa
Stage Officer Signing Contract: (must be VP or above)	Jason Curtis
Department (HR, IT, Finance, etc.):	Finance
Vendor Name and Contact Information: (name, email, phone):	Gordon Brothers Retail Partners, LLC
Contract Title:	Master Consulting Agreement; SOW Wave #1
Date initial comments needed from Legal:	N/A
Contract Description / Purpose: (e.g., replaces contract, renewal, maintenance, support)	best practices for conducting store closings
Description of contract terms (or attach Letter of Intent):	
Description of payment terms: (e.g., monthly payments, pay in full, pay with interest)	weekly payments
Other Business Considerations:	
Does Contract involve any IT components? (e.g., computer hardware/software, cloud, web or data related services, voice/data communications, etc.)	___ YES ___ X NO
Is there a Project Charter for this Contract? (please provide copy)	___ YES ___ X NO
Does Contract involve confidential Company data, customer or associate Personal Data or other sensitive information? (e.g. name, physical or email address, government issued ID #, Social Security #, Passport #, Driver's License #, credit card or other financial account #, date of birth, gender, or employer issued ID #, phone #s, medical information, non-public company financials or other non-public company information)	___ YES ___ NO If yes, which type(s)? _____ _____ _____ _____

SECTION II: BIDDING

Total cost to Company for the contract term:	\$400,000
Has more than 3 years elapsed since a competitive bid was obtained for this vendor?	___ YES ___ X NO
Has this contract or the goods/services being purchased been competitively bid?	___ X YES ___ NO
<p>If your answer to the question above is YES, you must maintain all bidding records. If your answer to the question above is NO, then you are required to:</p> <p>(i) provide Legal with a signed Bid Waiver Form; OR</p> <p>(ii) check below the reason bidding requirements do not apply:</p> <p>___ a) contract cost is under \$100,000</p> <p>___ b) other contractual commitments to vendor make bidding impracticable</p> <p>___ c) no other vendors provide required items or services</p>	

If to the Consultant:

Gordon Brothers Retail Partners, LLC
800 Boylston Street
27th Floor
Boston, MA 01299
Attention: Mackenzie Shea
Email address: mshea@gordonbrothers.com

with copies (which shall not constitute notice) to:

Katten Muchin Rosenman LLP
575 Madison Avenue
New York, NY 10022
Attention: Cindi M. Giglio
Email address: cgiglio@katten.com

If the parties are unable to resolve the dispute, either the landlord or the Debtors shall have the right to schedule a hearing before the Court on no less than five days' written notice to the other party, served by email or overnight delivery.

Exhibit 1-B

SOW 4

STATEMENT OF WORK

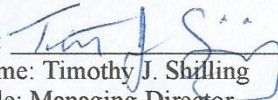
WAVE #4

EFFECTIVE MAY 7, 2020


This Statement of Work (the "SOW") is executed pursuant to that certain *Store Closing Program – Master Consulting Agreement* (the "Agreement") effective as of May 2, 2019 by and between Specialty Retailers, Inc. (the "Merchant") and Gordon Brothers Retail Partners, LLC (the "Consultant" and together with Merchant, the "Parties"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

1. The Stores for this Wave are identified on Exhibit A ("Wave 4 Stores") attached hereto.
2. The Budget of Consultant Controlled Expenses for Wave 4 Stores is attached hereto as Exhibit B.
3. Merchant intends for the Wave 4 Stores to reopen on a rolling basis, as soon as possible after the release of any and all federal, state, regional, local, and municipal restrictions on retail store operations in relation to novel coronavirus/COVID-19 that may be applicable to each such Wave 4 Store (the date each such Wave 4 Store reopens, a "Covid Reopening Date").
4. The Sale Commencement Date for each Wave 4 Store shall be the Covid Reopening Date for such Wave 4 Store unless otherwise agreed to by Merchant and Consultant.
5. The Sale Termination Date for each Wave 4 Store shall be no later than sixteen (16) weeks after the Sale Commencement Date for such Wave 4 Store unless otherwise agreed to by Merchant and Consultant.
6. The Budget of Consultant Controlled Expenses reflects that the Sale Term for all the Wave 4 Stores may not be concurrent.
7. The File for the Wave 4 Stores is "01.31.20 Store Level Cost Inventory.xlsx."
8. The fee and expenses to be paid by Merchant to Consultant in connection with this Wave are:
 - a. A Merchandise Fee equal to 1.50% of Gross Proceeds.
 - b. A FF&E Commission equal to 20.0%.
 - c. Reimbursement of Consultant Controlled Expenses in accordance with the Agreement.
9. Consultant shall pay to Merchant an Additional Consultant Goods Fee of 7.0%, provided, however, until such time as Merchant's secured lenders, Wells Fargo and Pathlight Capital are repaid in full, Consultant shall pay Merchant an Additional Consultant Goods fee of 50% of the Gross Margin on the sale of Additional Consultant Goods. For purposes hereof, "Gross Margin" shall mean the gross proceeds, net of sales taxes, of sales of Additional Consultant Goods occurring during the Sale Term less the applicable merchandise invoice or acquisition costs, taxes, procurement, shipping, handling, freight, duty, ticketing expenses, legal fees and expenses.
10. Concurrently herewith, Merchant shall pay to Consultant a Special Purpose Payment of \$1,250,000 in accordance with Section 5(I) of the Agreement.
11. Any other changes to the terms and conditions of the Agreement are as follows:
The additional provisions on Exhibit C shall apply.

Gordon Brothers Retail Partners, LLC

By: 
Name: Timothy J. Shilling
Title: Managing Director

Specialty Retailers, Inc.

By: 
Name: Jason Curtis
Title: EVP, Chief Financial Officer and Treasurer

Exhibits:

- A Wave 4 Stores
- B Wave 4-Budget of Consultant Controlled Expenses
- C Bankruptcy Provisions

Stage Wave 4 Stores

Exhibit A
Store List

StoreNo.	Store	Address	City	State	ZipCode	Concept	Currently Operating?	New Start Date	End Date
6571	Russellville	15485Highway43	Russellville	AL	35653-8002	Gordmans	No	05/15/20	08/30/20
6572	Haleyville	42417 Highway 195, STE 200	Haleyville	AL	35565	Gordmans	No	05/15/20	08/30/20
6573	Hamilton	1500MilitaryStreets,Ste.10	Hamilton	AL	35570	Gordmans	No	05/15/20	08/30/20
82	Muskogee	501 N Main St	Troy	AL	74401-6348	Stage	No	05/15/20	08/30/20
859	Centre	750 Cherokee Plaza	Centre	AL	35960	Stage	Yes	05/15/20	08/30/20
873	Cullman	1621 B Town Square SW	Cullman	AL	35055	Stage	Yes	05/15/20	08/30/20
5079	Talladega	210 Haynes St, Ste A	Talladega	AL	35160-2592	Stage	Yes	05/15/20	08/30/20
5091	Fort Payne	1400 DeKalb Plaza Blvd SW	Fort Payne	AL	35967-4828	Stage	No	05/15/20	08/30/20
5167	Athens	613 US Highway 72 W	Athens	AL	35611-4211	Stage	Yes	05/15/20	08/30/20
5224	Demopolis	505 US Highway 80 W	Demopolis	AL	36732-4147	Stage	Yes	05/15/20	08/30/20
5270	Birmingham (Admsvil)	2012 Veteran Memorial Dr	Birmingham	AL	35214-2050	Stage	Yes	05/15/20	08/30/20
5335	Jackson	2415 College Ave	Jackson	AL	36545-2458	Stage	Yes	05/15/20	08/30/20
5337	Ozark	1548 S US Highway 231, Ste A3	Ozark	AL	36360-4515	Stage	Yes	05/15/20	08/30/20
5348	Geneva	1402 W Maple Ave	Geneva	AL	36340-1648	Stage	Yes	05/15/20	08/30/20
5349	Atmore	141 Lindberg Ave, Ste B	Atmore	AL	36502-3205	Stage	Yes	05/15/20	08/30/20
5368	Monroeville	185 S Alabama Ave	Monroeville	AL	36460-1811	Stage	Yes	05/15/20	08/30/20
5372	Brewton	2131 Douglas Ave	Brewton	AL	36426-1163	Stage	Yes	05/15/20	08/30/20
5374	Greenville	147 Gateway Plaza	Greenville	AL	36037-3749	Stage	Yes	05/15/20	08/30/20
5525	Sylacauga	1389 West Fort Williams St.	Sylacauga	AL	35150	Stage	Yes	05/15/20	08/30/20
5074	Gardendale	1022 Main St PO Box 1603	Gardendale	AL	35071-1603	Stage	Yes	05/15/20	08/30/20
5076	Alexander City	981 Market Place	Alexander City	AL	35010-3376	Stage	Yes	05/15/20	08/30/20
5166	Arab	175 N Brindlee Mountain Pkwy	Arab	AL	35016-1317	Stage	Yes	05/15/20	08/30/20
6079	Rogers	2203 S Promenade Blvd, Suite 2	Rogers	AR	72758	Gordmans	Yes	05/15/20	08/30/20
179	Mountain Home	1060 Hometown Commons	Mountain Home	AR	72653	Stage	Yes	05/15/20	08/30/20
301	Russellville	409 N Arkansas Ave	Russellville	AR	72801	Stage	Yes	05/15/20	08/30/20
306	Crossett	1308 Main St, Space D	Crossett	AR	71635-3644	Stage	Yes	05/15/20	08/30/20
308	El Dorado	2003 N West Ave, Space 735	El Dorado	AR	71730-3349	Stage	Yes	05/15/20	08/30/20
309	Magnolia	401 N Fredrick	Magnolia	AR	71753-3116	Stage	Yes	05/15/20	08/30/20
311	Hope	503 N Hervey St	Hope	AR	71801-3435	Stage	Yes	05/15/20	08/30/20
314	Jacksonville	107 Gregory Pl	Jacksonville	AR	72076-3211	Stage	Yes	05/15/20	08/30/20
443	West Memphis	500 West Broadway St, Ste 17	West Memphis	AR	72301-2906	Stage	Yes	05/15/20	08/30/20
591	Malvern	1601 Martin Luther King Dr	Malvern	AR	72104-2016	Stage	Yes	05/15/20	08/30/20
780	Clarksville	1135 S Rogers St	Clarksville	AR	72830-9158	Stage	Yes	05/15/20	08/30/20
781	Monticello	123 N Park Dr	Monticello	AR	71655-3952	Stage	No	05/15/20	08/30/20
782	Newport	2109 Malcolm Ave	Newport	AR	72112-3631	Stage	Yes	05/15/20	08/30/20
783	Arkadelphia	2750 Pine St, Ste 3	Arkadelphia	AR	71923-4206	Stage	Yes	05/15/20	08/30/20
784	Forrest City	2342 N Washington St	Forrest City	AR	72335-1845	Stage	Yes	05/15/20	08/30/20
801	Heber Springs	1141 Hwy 25B N, Ste A	Heber Springs	AR	72543	Stage	Yes	05/15/20	08/30/20
821	Batesville	23 Eagle Mountain Blvd	Batesville	AR	72501	Stage	Yes	05/15/20	08/30/20
867	Pine Bluff	2713 E. Harding Ave.	Pine Bluff	AR	71601	Stage	Yes	05/15/20	08/30/20
307	Camden	128 Garden Oaks Dr SW	Camden	AR	71701-3713	Stage	Yes	05/15/20	08/30/20
316	Mena	601 Highway 71 N	Mena	AR	71953-4394	Stage	Yes	05/15/20	08/30/20
582	Siloam Springs	200 Progress Plaza Ave Ste 55	Siloam Springs	AR	72761-4553	Stage	Yes	05/15/20	08/30/20
398	Nogales (Mariposa)	351 W Mariposa Rd	Nogales	AZ	85621-1044	Stage	Yes	05/15/20	08/30/20
399	Bullhead City	2350 Miracle Mile, Ste 475	Bullhead City	AZ	86442-7505	Stage	Yes	05/15/20	08/30/20
526	Nogales (Grand Ct)	311 N Grand Ct Plaza Dr	Nogales	AZ	85621	Stage	Yes	05/15/20	08/30/20
794	Page	610 Elm St	Page	AZ	86040-2148	Stage	Yes	05/15/20	08/30/20
446	Payson	400 E State Highway 260	Payson	AZ	85541-4976	Stage	Yes	05/15/20	08/30/20
451	Thatcher	2157 W US Highway 70	Thatcher	AZ	85552-5543	Stage	Yes	05/15/20	08/30/20
455	Douglas	204 W 5th St	Douglas	AZ	85607-2850	Stage	Yes	05/15/20	08/30/20
6041	Thornton	10001 Grant St	Thornton	CO	80229	Gordmans	Yes	05/15/20	08/30/20
6060	Colorado Springs	1972 Southgate Road	Colorado Springs	CO	80906	Gordmans	Yes	05/15/20	08/30/20
6105	Littleton	8055 W Bowles Ave	Littleton	CO	80123	Gordmans	Yes	05/15/20	08/30/20
567	Cortez	2216 E Main St	Cortez	CO	81321-4262	Stage	Yes	05/15/20	08/30/20
568	Alamosa	177 Craft Drive, Ste 103	Alamosa	CO	81101	Stage	Yes	05/15/20	08/30/20
706	Canon City	127 Justice Center Rd Ste R	Canon City	CO	81212	Stage	Yes	05/15/20	08/30/20
778	Trinidad	2024 Freedom Rd	Trinidad	CO	81082-1208	Stage	Yes	05/15/20	08/30/20
805	Sterling	1115 W Main St, Ste 300	Sterling	CO	80751	Stage	Yes	05/15/20	08/30/20
702	Starke	837 S. Walnut St.	Starke	FL	32091	Stage	Yes	05/15/20	08/30/20
836	Marianna	2800 Hwy 71	Marianna	FL	32446	Stage	Yes	05/15/20	08/30/20
5245	Live Oak	1527 Ohio Ave South	Live Oak	FL	32064-4513	Stage	Yes	05/15/20	08/30/20
5416	MacClenny	1160 South 6th St	MacClenny	FL	32063	Stage	Yes	05/15/20	08/30/20
828	Commerce	160 Banks Crossing Dr.	Commerce	GA	30529	Stage	Yes	05/15/20	08/30/20
5178	Bremen	3870 Bremen Crossing	Bremen	GA	30110-1974	Stage	Yes	05/15/20	08/30/20
5204	La Fayette	106 Pearl Dr	La Fayette	GA	30728-7509	Stage	Yes	05/15/20	08/30/20
5255	Madison	1532 Eatonton Rd, Ste B	Madison	GA	30650-4627	Stage	Yes	05/15/20	08/30/20
5260	Hinesville	149 W Hendry St	Hinesville	GA	31313-3201	Stage	Yes	05/15/20	08/30/20
5340	Sandersville	668 S Harris St	Sandersville	GA	31082-2821	Stage	No	05/15/20	08/30/20
5345	Douglas	1210 Madison Ave S	Douglas	GA	31533-4406	Stage	Yes	05/15/20	08/30/20
5356	Swainsboro	501 S Main St	Swainsboro	GA	30401-6134	Stage	Yes	05/15/20	08/30/20
5357	Baxley	106 E Parker St, #2	Baxley	GA	31513-0025	Stage	Yes	05/15/20	08/30/20
5361	Blakely	12246 Columbia St, Ste C	Blakely	GA	39823-2559	Stage	Yes	05/15/20	08/30/20
5362	Cornelia	246 Habersham Hills Cir	Cornelia	GA	30531-5390	Stage	Yes	05/15/20	08/30/20
5367	Louisville	813 Peachtree St	Louisville	GA	30434-1449	Stage	Yes	05/15/20	08/30/20
5369	Metter	165 S Leroy St	Metter	GA	30439-4632	Stage	Yes	05/15/20	08/30/20
5375	Moultrie	141 Talmadge Dr	Moultrie	GA	31768-5050	Stage	Yes	05/15/20	08/30/20
5376	Jesup	150 S 1st St	Jesup	GA	31545-1119	Stage	Yes	05/15/20	08/30/20
5377	Sylvania	1129 W Ogeechee St	Sylvania	GA	30467-8626	Stage	Yes	05/15/20	08/30/20

6680	BURK Burnett	2008 Red River Expwy	Burkburnett	TX	76353	Gordmans	No	05/15/20	08/30/20
6681	SULPHUR SPRINGS	1401 Mockingbird Ln, #101	Sulphur Springs	TX	75482-4858	Gordmans	No	05/15/20	08/30/20
6747	Gonzales	1624 East Sarah Dewitt Drive	Gonzales	TX	78629	Gordmans	No	05/15/20	08/30/20
6751	College Station	1500 Harvey Rd, Space E	College Station	TX	77840-3713	Gordmans	No	05/15/20	08/30/20
6776	Round Rock	400 W Palm Valley Blvd	Round Rock	TX	78664-4237	Gordmans	No	05/15/20	08/30/20
6777	Georgetown	1103 Rivery Blvd, 3-307	Georgetown	TX	78628-3034	Gordmans	No	05/15/20	08/30/20
6780	Waco	6001 W Waco Dr	Waco	TX	76710-6306	Gordmans	No	05/15/20	08/30/20
6784	Ennis	201 S Interstate 45	Ennis	TX	75119-5112	Gordmans	No	05/15/20	08/30/20
6803	Center	677 Hurst	Center	TX	75935	Gordmans	No	05/15/20	08/30/20
6859	Odessa (Crossroad)	2008 E. 42nd St	Odessa (Crossroad)	TX	79762-7239	Gordmans	No	05/15/20	08/30/20
6860	Odessa (West County)	1623 N County Rd W	Odessa (West County)	TX	79763-2960	Gordmans	No	05/15/20	08/30/20
1	Henderson	2317 U S Highway 79 S	Henderson	TX	75654-4448	Stage	Yes	05/15/20	08/30/20
2	Nacogdoches	4919 North St, Ste 101	Nacogdoches	TX	75965-1809	Stage	No	05/15/20	08/30/20
3	Mount Pleasant	2306 S Jefferson Ave., Ste.K	Mount Pleasant	TX	75455-4842	Stage	No	05/15/20	08/30/20
5	Kingsville	2319 S Brahma Blvd	Kingsville	TX	78363-7119	Stage	Yes	05/15/20	08/30/20
6	Gilmer	1059 US Highway 271 N	Gilmer	TX	75644-5260	Stage	No	05/15/20	08/30/20
7	Jacksonville	1712 S Jackson St	Jacksonville	TX	75766-5831	Stage	No	05/15/20	08/30/20
8	Paris	3512 Lamar Ave	Paris	TX	75460-5026	Stage	No	05/15/20	08/30/20
10	Kilgore	100 Midtown Plz	Kilgore	TX	75662-5864	Stage	No	05/15/20	08/30/20
11	Lufkin	4600 S Medford Dr	Lufkin	TX	75901-5624	Stage	Yes	05/15/20	08/30/20
12	Greenville	6834 Wesley St, Suite B	Greenville	TX	75401	Stage	Yes	05/15/20	08/30/20
14	Marshall	1300 E Pinecrest Dr	Marshall	TX	75670-7397	Stage	Yes	05/15/20	08/30/20
15	Palestine	2012 Crockett Rd	Palestine	TX	75801-5908	Stage	No	05/15/20	08/30/20
17	Carthage	4395 NW Loop	Carthage	TX	75633	Stage	No	05/15/20	08/30/20
19	Conroe	1100 W Dallas St	Conroe	TX	77301-2208	Stage	Yes	05/15/20	08/30/20
21	Stephenville	2900 W Washington St, Box 12	Stephenville	TX	76401-3734	Stage	Yes	05/15/20	08/30/20
22	Bryan	725 E Villa Maria Rd, Ste 102	Bryan	TX	77802-5319	Stage	Yes	05/15/20	08/30/20
23	Longview (Lngvw Mal)	3520 McCann Rd Ste 1010	Longview	TX	75605-4406	Stage	Yes	05/15/20	08/30/20
26	Copperas Cove	228 Cove Terrace Shopping Ctr	Copperas Cove	TX	76522-2262	Stage	Yes	05/15/20	08/30/20
27	Weslaco	1901 W Expressway 83, Ste 40	Weslaco	TX	78596-4374	Stage	Yes	05/15/20	08/30/20
28	Mineral Wells	2801 Hwy 180 E, Ste 3	Mineral Wells	TX	76067	Stage	No	05/15/20	08/30/20
29	Roma	1004 E Hwy 83 Riverview Plaza	Roma	TX	78584-8025	Stage	No	05/15/20	08/30/20
30	Bay City	4009 7th St	Bay City	TX	77414-4515	Stage	Yes	05/15/20	08/30/20
31	League City	215 W Main St	League City	TX	77573-3736	Stage	Yes	05/15/20	08/30/20
34	San Antonio (Thooks)	2939 Thousand Oaks Dr	San Antonio	TX	78247-3312	Stage	Yes	05/15/20	08/30/20
35	Victoria (Village)	2504 N Laurent St	Victoria	TX	77901-4133	Stage	Yes	05/15/20	08/30/20
36	Corp Chris (PrtAyrS)	4302 Ayers St	Corpus Christi	TX	78415-5318	Stage	Yes	05/15/20	08/30/20
37	Duncanville	726 W Wheatland Rd	Duncanville	TX	75116-4521	Stage	Yes	05/15/20	08/30/20
38	Seguin	1386 E Court	Seguin	TX	78155-5268	Stage	Yes	05/15/20	08/30/20
40	Lake Jackson	100 Highway 332 W, Suite 1354	Lake Jackson	TX	77566-4029	Stage	Yes	05/15/20	08/30/20
41	Orange (Pinehurst)	2250 MacArthur Dr	Orange (Pinehurst)	TX	77630-4812	Stage	No	05/15/20	08/30/20
42	Athens	1111 E Tyler St, Ste 127-B	Athens	TX	75751-2131	Stage	No	05/15/20	08/30/20
43	Silsbee	138 Pine Plz	Silsbee	TX	77656	Stage	Yes	05/15/20	08/30/20
45	Del Rio	2205 Veterans Blvd, Suite B	Del Rio	TX	78840-3120	Stage	Yes	05/15/20	08/30/20
47	Early	509 W Commerce Ste A	Early	TX	76801	Stage	No	05/15/20	08/30/20
54	Harlingen (LnLnCms)	2313 W Lincoln St	Harlingen	TX	78552-5917	Stage	Yes	05/15/20	08/30/20
55	Corsicana	3500 W 7th Ave ste 40	Corsicana	TX	75110-4823	Stage	No	05/15/20	08/30/20
57	Waxahachie	791 N Highway 77, Suite 201	Waxahachie	TX	75165-1879	Stage	Yes	05/15/20	08/30/20
60	Portland	1530 Wildcat Dr	Portland	TX	78374-2814	Stage	Yes	05/15/20	08/30/20
61	Beaumont (Gateway)	3871 Stagg Dr	Beaumont	TX	77701	Stage	Yes	05/15/20	08/30/20
62	Pharr	500 North Jackson, Suite I	Pharr	TX	78577-2109	Stage	Yes	05/15/20	08/30/20
64	Galveston	2711 61st St	Galveston	TX	77551-2134	Stage	Yes	05/15/20	08/30/20
68	Beaumont (Parkdale)	6155 Eastex Fwy, Ste F-600	Beaumont	TX	77706-6718	Stage	Yes	05/15/20	08/30/20
69	Beeville	2115 St. Mary St	Beeville	TX	78102-2432	Stage	Yes	05/15/20	08/30/20
70	Gainesville	1008 E Highway 82	Gainesville	TX	76240-2721	Stage	Yes	05/15/20	08/30/20
71	San Antonio (S Park)	2310 SW Military Dr	San Antonio	TX	78224-1407	Stage	Yes	05/15/20	08/30/20
76	McAllen (Palmscrsng)	3300 E Expressway 83, Ste 200	McAllen	TX	78501-8348	Stage	Yes	05/15/20	08/30/20
79	Cleburne	1663 W Henderson St	Cleburne	TX	76033-4134	Stage	No	05/15/20	08/30/20
80	San Antonio (MCRles)	4224 S New Braunfels Ave, #201	San Antonio	TX	78223-1717	Stage	Yes	05/15/20	08/30/20
84	Laredo	5300 San Dario Ave, Ste 150	Laredo	TX	78041-3000	Stage	Yes	05/15/20	08/30/20
88	Kerrville	200 Sidney Baker S	Kerrville	TX	78028-5914	Stage	Yes	05/15/20	08/30/20
89	Port Lavaca	121 Calhoun Plz	Port Lavaca	TX	77979-2423	Stage	Yes	05/15/20	08/30/20
90	Texarkana	2400 Richmond Rd	Texarkana	TX	75503-2494	Stage	Yes	05/15/20	08/30/20
91	Plainview	3415 Olton Rd	Plainview	TX	79072-6603	Stage	No	05/15/20	08/30/20
93	San Angelo (Snst MI)	4001 Sunset Dr, Ste 3000	San Angelo	TX	76904-5657	Stage	Yes	05/15/20	08/30/20
94	Borger	1412 W Wilson St	Borger	TX	79007-4420	Stage	Yes	05/15/20	08/30/20
95	Pampa	1201 N Hobart, Ste 25	Pampa	TX	79065	Stage	No	05/15/20	08/30/20
96	Brownsville (snrise)	2360 N Expressway	Brownsville	TX	78521-0937	Stage	Yes	05/15/20	08/30/20
98	Rockport	1326 Highway 35 N	Rockport	TX	78382-3313	Stage	Yes	05/15/20	08/30/20
101	Big Spring	1801 E Fm 700, #150	Big Spring	TX	79720-5055	Stage	No	05/15/20	08/30/20
103	Victoria (Vctria MI)	7800 Hallettsville Hwy	Victoria	TX	77904-2608	Stage	Yes	05/15/20	08/30/20
111	Midland	4511 N Midkiff Rd, Space E14	Midland	TX	79705-3256	Stage	Yes	05/15/20	08/30/20
112	El Paso (Vsta Hills)	1840 N Lee Trevino Dr, Ste 100	El Paso (Vsta Hills)	TX	79936-4136	Stage	No	05/15/20	08/30/20
120	Port Arthur	3100 Hwy 365, #57	Port Arthur	TX	77642-7791	Stage	Yes	05/15/20	08/30/20
121	Amarillo (Westgate)	7701 W Interstate 40, #700	Amarillo	TX	79121-0999	Stage	Yes	05/15/20	08/30/20
122	Eagle Pass	455 S Bibb Ave, #300	Eagle Pass	TX	78852-5079	Stage	Yes	05/15/20	08/30/20
123	Corp Christ (5 Pnts)	4101 US IH 69 Access Rd., #E	Corpus Christi	TX	78410-4542	Stage	Yes	05/15/20	08/30/20
124	Houston (Northline)	4438 N Frwy	Houston	TX	77022-3606	Stage	Yes	05/15/20	08/30/20
125	Jasper	1133 S Wheeler St	Jasper	TX	75951-5118	Stage	No	05/15/20	08/30/20
131	Bastrop	487 Highway 71 W	Bastrop	TX	78602-3745	Stage	Yes	05/15/20	08/30/20
135	Tyler (Southpark)	1934 E Southeast Loop 323	Tyler	TX	75701-8337	Stage	Yes	05/15/20	08/30/20
136	Weatherford	625 Palo Pinto	Weatherford	TX	76086-4129	Stage	Yes	05/15/20	08/30/20
138	Brenham	2502 S Day St	Brenham	TX	77833-5521	Stage	Yes	05/15/20	08/30/20
140	Hidalgo	701 N International, Ste 111	Hidalgo	TX	78557	Stage	Yes	05/15/20	08/30/20
144	Huntsville	2 Financial Plz	Huntsville	TX	77340-3508	Stage	Yes	05/15/20	08/30/20

6332	HREE RIVERS	432 Broadway Rd	Three Rivers	MI	49093-8773	Gordmans	No	06/04/20	09/27/20
6333	HILLSDALE	280 W Carleton Rd	Hillsdale	MI	49242-5034	Gordmans	No	06/04/20	09/27/20
6325	Cheboygan	1121 E State St, Unit 15	Cheboygan	MI	49721-2124	Gordmans	No	06/04/20	09/27/20
6428	Rio Grande	1500 Route 47 S, Suite D	Rio Grande	NJ	08242-1400	Gordmans	No	06/04/20	09/27/20
6429	Seaville	2087 Route 9 S, Ste 12	Seaville	NJ	08230-1150	Gordmans	No	06/04/20	09/27/20
6430	Bridgeton	9 Cornwell Dr	Bridgeton	NJ	08302-3632	Gordmans	No	06/04/20	09/27/20
6432	Browns Mills	18 Broadway	Browns Mills	NJ	08015-3248	Gordmans	No	06/04/20	09/27/20
5093	Pennsville	251 N Broadway	Pennsville	NJ	08070-1200	Stage	No	06/04/20	09/27/20
6460	Hornell	33 Broadway Mall	Hornell	NY	14843-1919	Gordmans	No	06/04/20	09/27/20
6461	Geneseo	4349 Genesee Valley Plz	Geneseo	NY	14454-9436	Gordmans	No	06/04/20	09/27/20
6462	Albion	332 West Ave	Albion	NY	14411-1523	Gordmans	No	06/04/20	09/27/20
6463	Newark	800 W Miller St	Newark	NY	14513-1354	Gordmans	No	06/04/20	09/27/20
6464	Geneva	333 Hamilton St	Geneva	NY	14456-2951	Gordmans	No	06/04/20	09/27/20
6465	Penn Yan	254 Lake Street Plaza	Penn Yan	NY	14527	Gordmans	No	06/04/20	09/27/20
6466	Sidney	11 Steiner Rd	Sidney	NY	13838	Gordmans	No	06/04/20	09/27/20
6469	Oneida	1032 Oneida Plaza Dr	Oneida	NY	13421	Gordmans	No	06/04/20	09/27/20
6470	Gouverneur	471 E. Main St.	Gouverneur	NY	13642	Gordmans	No	06/04/20	09/27/20
6471	Ogdensburg	701 Canton St	Ogdensburg	NY	13669-3821	Gordmans	No	06/04/20	09/27/20
6472	Malone	228 W Main St, Suite 14	Malone	NY	12953	Gordmans	No	06/04/20	09/27/20
6473	Johnstown	224 N Comrie Ave	Johnstown	NY	12095-1506	Gordmans	No	06/04/20	09/27/20
6474	Hudson	160 Fairview Ave, Ste 148	Hudson	NY	12534-1267	Gordmans	No	06/04/20	09/27/20
6174	Klamath Falls	1851 Avalon St	Klamath Falls	OR	97603	Gordmans	No	06/04/20	09/27/20
719	Hood River	1801 12th Street	Hood River	OR	97031	Stage	Yes	06/04/20	09/27/20
813	LaGrande	2212 Island Ave Ste230	LaGrande	OR	97850	Stage	Yes	06/04/20	09/27/20
835	Hermiston	930 S Hwy 395 STE B	Hermiston	OR	97838	Stage	Yes	06/04/20	09/27/20
6410	CORRY	370 W Columbus Ave	Corry	PA	16407-1002	Gordmans	No	06/04/20	09/27/20
6412	GREENVILLE	25 Williamson Rd, Suite 105	Greenville	PA	16125	Gordmans	No	06/04/20	09/27/20
6420	CLARION	22677 Route 68	Clarion	PA	16214-4075	Gordmans	No	06/04/20	09/27/20
6433	Kennett Square	350 Scarlet Rd	Kennett Square	PA	19348-2271	Gordmans	No	06/04/20	09/27/20
6434	Brodheadsville	1421 Route 209 Ste 122	Brodheadsville	PA	18322	Gordmans	No	06/04/20	09/27/20
6435	Matamoras	111 Hulst Dr. Ste. 715	Matamoras	PA	18336	Gordmans	No	06/04/20	09/27/20
6436	Honesdale	650 Old Willow Ave Ste F	Honesdale	PA	18431	Gordmans	No	06/04/20	09/27/20
6437	Covgtn Township	921 Drinker Turnpike, Suite 18	Covgtn Township	PA	18444	Gordmans	No	06/04/20	09/27/20
6438	Carbondale	89 Brooklyn St	Carbondale	PA	18407-2284	Gordmans	No	06/04/20	09/27/20
6439	Tunkhannock	420 Tioga West Plz Ste 120	Tunkhannock	PA	18657	Gordmans	No	06/04/20	09/27/20
6440	Towanda	272 Ennis Lane	Towanda	PA	18848	Gordmans	No	06/04/20	09/27/20
6441	Sayre	1677 N Elmira St	Sayre	PA	18840-9252	Gordmans	No	06/04/20	09/27/20
6442	Mansfield	1436 South Main St	Mansfield	PA	16933-8702	Gordmans	No	06/04/20	09/27/20
6445	Waynesboro	1525 E Main St	Waynesboro	PA	17268-1890	Gordmans	No	06/04/20	09/27/20
6446	Huntingdon	7505 Huntingdon Plaza	Huntingdon	PA	16652-1273	Gordmans	No	06/04/20	09/27/20
6448	Clearfield	1800 Daisy St, Ste 100	Clearfield	PA	16830	Gordmans	No	06/04/20	09/27/20
6449	St. Marys	1377 Bucktail Rd	St. Marys	PA	15857-3266	Gordmans	No	06/04/20	09/27/20
6450	Bradford	1001 Bradford Mall	Bradford	PA	16701-3101	Gordmans	No	06/04/20	09/27/20
6452	Somerset	1610 N Center Ave	Somerset	PA	15501-7032	Gordmans	No	06/04/20	09/27/20
6453	Mt Pleasant	306 Countryside Plz	Mt Pleasant	PA	15666-1867	Gordmans	No	06/04/20	09/27/20
6454	Belle Vernon	460 Tri-County Ln	Belle Vernon	PA	15012-1992	Gordmans	No	06/04/20	09/27/20
6455	Leechburg	451 Hyde Park Rd	Leechburg	PA	15656-9417	Gordmans	No	06/04/20	09/27/20
6456	Ellwood City	265 State Route 288	Ellwood City	PA	16117	Gordmans	No	06/04/20	09/27/20
6457	New Castle	3332 Wilmington Rd, Ste B	New Castle	PA	16105-1039	Gordmans	No	06/04/20	09/27/20
6458	Meadville	18910 Park Avenue Plz	Meadville	PA	16335-4016	Gordmans	No	06/04/20	09/27/20
6459	Erie	3424 Liberty St	Erie	PA	16508-2533	Gordmans	No	06/04/20	09/27/20
5161	Punxsutawney	545 W Mahoning St	Punxsutawney	PA	15767-1909	Stage	Yes	06/04/20	09/27/20
5162	Philipsburg	1061 N Front St, Ste 2	Philipsburg	PA	16866-8257	Stage	Yes	06/04/20	09/27/20

Stage Wave 4
Budget of Consultant Controlled Expenses
Exhibit B

Stores : 726
Sale Term : 5/15/20 - 9/27/20
Store Weeks 11,182.0

	\$	Per Store Wk
Advertising subtotal	8,582,266	768
Supervision subtotal	4,569,667	409
Miscellaneous subtotal	350,000	31
Total Expenses	13,501,933	1207

Note: This expense budget is based upon the above start and end dates. Any changes in these dates may result in adjustments to the expense budget, which will be agreed upon by Merchant and Consultant.

Exhibit C

Bankruptcy Provisions

(A) In the event Merchant becomes subject to any chapter 11 proceeding (a “Bankruptcy Case”) before any United States Bankruptcy Court (the “Bankruptcy Court”), this Agreement, including retention of Consultant and conduct of the services set forth herein, shall be subject to the approval of the Bankruptcy Court. Merchant shall promptly seek to have this SOW and the Agreement, and the transactions contemplated thereby approved by the Bankruptcy Court pursuant to sections 363 and 365 of the United States Bankruptcy Code (and not pursuant to sections 327, 328, 330, or 331 thereof) and an order with terms acceptable to both Merchant and Consultant that provides, among other things, as follows: (i) the payment of all fees and reimbursement of expenses hereunder to Consultant is approved without further order of the court and shall be free and clear of all liens, claims and encumbrances; (ii) all such payments of fees and reimbursement of expenses shall be made on a weekly basis without further order of the Bankruptcy Court and otherwise in accordance with this SOW and the Agreement; (iii) approval of the transaction contemplated hereby; (iv) authorizing the Sale without the necessity of complying with state and local rules, laws, ordinances and regulations, including, without limitation, permitting and licensing requirements, that could otherwise govern the Sale; (v) authorizing the Sale notwithstanding restrictions in leases, reciprocal easement agreements or other contracts that purport to restrict the Sale or the necessity of obtaining any third party consents; and (vi) take all further actions as are necessary or appropriate to carry out the terms and conditions of this SOW and the Agreement; (the “Approval Order”). In such event, any legal action, suit or proceeding arising in connection with this SOW or Agreement shall be submitted to the exclusive jurisdiction of the Bankruptcy Court having jurisdiction over Merchant, and each Party hereby waives any defenses or objections based on lack of jurisdiction, improper venue, and/or forum non conveniens. From and after entry of the Approval Order, Consultant shall conduct the Sale in accordance with the terms of the Approval Order in all material respects. Further in the event of a Bankruptcy Case, , Consultant shall have the right to form a contractual joint venture with Hilco Merchant Resources, LLC to fulfill its obligations under this Agreement; provided that Consultant shall remain responsible and liable for all services to be provided hereunder and that such arrangement shall not modify the Merchant’s liabilities or responsibilities in any manner. In the event the Approval Order is not entered by the Bankruptcy Court or does not include the terms and conditions contained herein, (i) Merchant shall reimburse Consultant for any expenses incurred in connection with the Sale through and including the day immediately after denial of such motion by the Bankruptcy Court; and (ii) Consultant may, in its sole discretion, elect to terminate this Agreement. The Bankruptcy Court shall have exclusive jurisdiction to resolve any issues arising under this Agreement.

(B) In the event of a Bankruptcy Case, in addition to, and not as part of, reimbursement of any expenses identified above, Merchant shall also reimburse Consultant for its reasonable and documented legal fees and expenses incurred in connection with this SOW and the Agreement, including without limitation with respect to obtaining entry of the Approval Order and/or negotiating any “side letters” with landlords of the Stores.

(C) In the event of a Bankruptcy Case, and notwithstanding anything to the contrary in the Agreement, Consultant has the right to abandon any unsold Non-Retained FF&E and any other FF&E at the conclusion of the Sale Term to the extent allowed by order of the Bankruptcy Court.

(D) The Approval Order shall contain mutually agreeable and customary provisions related to the sale of Additional Consultant Goods.



Final Audit Report

2020-05-08

Created:	2020-05-08
By:	Jennifer Moss (jmoss@stage.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAYXYNvOvangutf1kD2-mr2nLvfa0kMsy-

"GB" History






-  Document created by Jennifer Moss (jmoss@stage.com)
2020-05-08 - 6:00:42 PM GMT - IP address: 73.136.73.22
-  Document emailed to Jason Curtis (jcurtis@stage.com) for signature
2020-05-08 - 6:01:53 PM GMT
-  Email viewed by Jason Curtis (jcurtis@stage.com)
2020-05-08 - 6:02:59 PM GMT - IP address: 73.32.191.143
-  Document e-signed by Jason Curtis (jcurtis@stage.com)
Signature Date: 2020-05-08 - 6:03:09 PM GMT - Time Source: server- IP address: 73.32.191.143
-  Signed document emailed to Jason Curtis (jcurtis@stage.com) and Jennifer Moss (jmoss@stage.com)
2020-05-08 - 6:03:09 PM GMT

Exhibit 2

Store Closing Procedures

Store Closing Procedures¹

- (i) The Store Closings will be conducted during normal business hours or such hours as otherwise permitted by the applicable unexpired lease.
- (ii) The Store Closings will be conducted in accordance with applicable state and local “Blue Laws,” and thus, where such a law is applicable, no Store Closings will be conducted on Sunday unless the Debtors have been operating such stores on Sundays.
- (iii) On “shopping center” property, neither the Debtors nor the Consultant shall distribute handbills, leaflets, or other written materials to customers outside of any stores’ premises, unless permitted by the applicable lease or if distribution is customary in the “shopping center” in which such store is located; *provided* that the Debtors and the Consultant may solicit customers in the stores themselves. On “shopping center” property, neither the Debtors nor the Consultant shall use any flashing lights or amplified sound to advertise the Store Closings or solicit customers, except as permitted under the applicable lease or agreed in writing by the landlord.
- (iv) The Debtors and the Consultant shall have the right to use and sell the FF&E. The Debtors and the Consultant may advertise the sale of the FF&E in a manner consistent with these Store Closing Procedures. The purchasers of any FF&E sold during the Store Closings shall be permitted to remove the FF&E either through the back or alternative shipping areas at any time, or through other areas after Store business hours; *provided*, however, that the foregoing shall not apply to *de minimis* FF&E sales made whereby the item can be carried out of the Store in a shopping bag.
- (v) The Debtors and the Consultant may, but are not required to, advertise all of the Store Closings as “store closing,” “sale on everything,” “everything must go,” or similarly themed sales. The Debtors and the Consultant may also have a “countdown to closing” sign prominently displayed in a manner consistent with these Store Closing Procedures.
- (vi) The Debtors and the Consultant shall be permitted to utilize sign walkers, display, hanging signs, and interior banners in connection with the Store Closings; *provided* that such sign walkers, display, hanging signs, and interior banners shall be professionally produced and hung in a professional manner. Neither the Debtors nor the Consultant shall use neon or day-glo on its sign walkers, display, hanging signs, or interior banners if prohibited by the applicable lease or applicable law. Furthermore, with respect to enclosed mall locations, no exterior signs or signs in common areas of a mall shall be used unless otherwise expressly permitted in these Store Closing Procedures. In addition, the Debtors and the Consultant shall be permitted to utilize exterior banners at (a) non-enclosed mall stores and (b) enclosed mall stores to the extent the entrance to the applicable Store does not require entry into the enclosed mall common area; *provided*, however, that such banners shall be located or hung so as to make clear that the Store Closing is being conducted

¹ Capitalized terms used but not defined in these Store Closing Procedures have the meanings given to them in the Interim Order to which these Store Closing Procedures are attached as Exhibit 2, or the Motion to which the Interim Order is attached, as applicable.

only at the affected Store, and shall not be wider than the storefront of the Store. In addition, the Debtors shall be permitted to utilize sign walkers in a safe and professional manner. Nothing contained in these Store Closing Procedures shall be construed to create or impose upon the Debtors or the Consultant any additional restrictions not contained in the applicable lease agreement.

- (vii) Neither the Debtors nor the Consultant shall make any alterations to the storefront, roof, or exterior walls of any stores or shopping centers, or to interior or exterior store lighting, except as authorized by the applicable lease. The hanging of in-Store signage shall not constitute an alteration to a Store.
- (viii) Affected landlords will have the ability to negotiate with the Debtors, or at the Debtors' direction, the Consultant, any particular modifications to the Store Closing Procedures. The Debtors and the landlord of any Store are authorized to enter into Side Letters without further order of the Court, *provided* that such agreements do not have a material adverse effect on the Debtors or their estates.
- (ix) Conspicuous signs will be posted in each of the affected stores to the effect that all sales are "final."
- (x) The Debtors will keep store premises and surrounding areas clear and orderly, consistent with past practices.
- (xi) An unexpired nonresidential real property lease will not be deemed rejected by reason of a Store Closing or the adoption of these Store Closing Procedures.
- (xii) The rights of landlords against the Debtors for any damages to a Store shall be reserved in accordance with the provisions of the applicable lease.
- (xiii) If and to the extent that the landlord of any Store contends that the Debtors or the Consultant is in breach of or default under these Store Closing Procedures, such landlord shall provide at least five days' written notice, served by email or overnight delivery, on:

If to the Debtors:

Stage Stores, Inc.
Attention: Office of the General Counsel
E-mail address: legalnotice@stage.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attention: Joshua M. Altman and Kevin S. McClelland
E-mail address: josh.altman@kirkland.com and kevin.mclelland@kirkland.com

If to the Consultant:

Gordon Brothers Retail Partners, LLC
800 Boylston Street
27th Floor
Boston, MA 01299

with copies (which shall not constitute notice) to:

Katten Muchin Rosenman LLP
575 Madison Avenue
New York, NY 10022
Attention: Cindi M. Giglio
Email address: cgiglio@katten.com

If the parties are unable to resolve the dispute, either the landlord or the Debtors shall have the right to schedule a hearing before the Court on no less than five days' written notice to the other party, served by email or overnight delivery.

United States Bankruptcy Court
Southern District of TexasIn re:
Stage Stores, Inc.
ARCP MT Lafayette In, LLC
DebtorsCase No. 20-32564-drj
Chapter 11**CERTIFICATE OF NOTICE**

District/off: 0541-4

User: emiller
Form ID: pdf002Page 1 of 3
Total Noticed: 65

Date Rcvd: May 13, 2020

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on May 15, 2020.

aty +Deena L Buchanan, Buchanan Law Firm, LLC, 5345 Wyoming Blvd NE, Suite 202,
Albuquerque, NM 87109-3148

aty +Gregory S Frayser, Cline Williams wright et al, 233 S 13 St., Suite 1900,
Lincoln, NE 68508-2000

aty +Jeffrey E Krumpe, Miller Hall Triggs LLC, 416 Main Street, Suite 1125,
Peoria, IL 61602-1161

aty +Robert S. Friedman, Sheppard Mullin Richter and Hampton, 30 Rockefeller Plaza,
New York, NY 10112-0079

cr +6701 Sippel Street, LLC, Kessler Collins, P.C., c/o Howard C. Rubin,
2100 Ross Avenue, Ste. 750, Dallas, TX 75201-6707

cr +Andrews Independent School District, et al, C/O Laura J. Monroe,
Perdue, Brandon, Fielder, Collins & Mott, PO Box 817, Lubbock, TX 79408-0817

cr +Atascosa County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Bexar County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Brewster County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Brookfield Property REIT, Inc., Kristen N. Pate, 350 N. Orleans St., Suite 300,
Chicago, IL 60654-1607

cr +CITY OF EAGLE PASS, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Carbondale Real Estate LLC, c/o Barclay Damon LLP, Attn: Kevin M. Newman,
Barclay Damon Tower, 125 East Jefferson Street, Syracuse, NY 13202-2515

cr +City Of El Paso, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +City of Del Rio, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +City of Mercedes, Mercedes ISD, Cityof Weslaco & W, c/o John T. Banks,
3301Northland Drive Ste 505, Austin, TX 78731-4954

cr +City of Sulphur Springs, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,
2777 N. Stemmons Freeway, Suite 1000, Dallas, TX 75207-2328

cr +Dallas County, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,
2777 N. Stemmons Freeway, Suite 1000, Dallas, TX 75207-2328

cr +Ector CAD, 112 E Pecan Street, Suite 2200, San Antonio, TX 78205-1588

cr +Gonzales County, 112 E. Pecan Street, Suite 2200, San Antonio, TX 78205-1588

cr +Grayson County, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,
2777 N. Stemmons Freeway, Suite 1000, Dallas, TX 75207-2328

cr +Hood CAD, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,
2777 N. Stemmons Freeway, Suite 1000, Dallas, TX 75207-2328

cr +Humble Independent School District, et al, c/o Owen M. Sonik, PBFCCM, LLP,
1235 N. Loop W., Ste 600, Houston, TX 77008-1772

intp +James Scott Douglass, 1811 Bering Dr., Suite 420, Houston, TX 77057-3186

intp +Kurtzman Carson Consultants LLC, 222 N Pacific Coast Highway, Suite 300,
El Segundo, CA 90245-5614

cr +LaSalle Shopping Center, LLC, 1900 Burnt Boat Drive, Suite 102, Bismarck, ND 58503-0827

cr +Merge Holdings, LLC, c/o Matthew T. Taplett, Esq., 500 W.7th St. #600,
Fort Worth, TX 76102-4751

cr +Nike USA, Inc., c/o Anthony Saccullo, A.M. Saccullo Legal, LLC, 27 Crimson King Drive,
Bear, DE 19701-2392

cr +Orange Marketplace, LP, c/o Michelle V. Friery, Crain, Caton & James, P.C.,
1401 McKinney, Suite 1700, Houston, TX 77010, US 77010-1079

cr +Pecos County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Plaquemine Marketplace, LP, c/o Michelle V. Friery, 1401 McKinney, Suite 1700,
Houston, TX 77010, US 77010-4037

cr +Reeves County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Rivercrest Realty Associates, LLC, c/o Barclay Damon LLP, Attn: Kevin M. Newman,
Barclay Damon Tower, 125 East Jefferson Street, Syracuse, NY 13202-2515

cr +Rockstep Lagniappe Village LLC, c/o Michelle V. Friery, Crain, Caton & James, P.C.,
1401 McKinney, Suite 1700, Houston, TX 77010-1079

cr +Rockstep McComb LLC, c/o Michelle V. Friery, Crain, Caton & James, PC,
1401 McKinney, Suite 1700, Houston, TX 77010-1079

cr +Rockstep Opelousas LLC, c/o Michelle V. Friery, Crain, Caton & James, PC,
1401 McKinney, Suite 1700, Houston, TX 77010, US 77010-1079

cr +Rockstep Starkville LLC, c/o Michelle V. Friery, Crain, Caton & James, PC,
1401 McKinney, Suite 1700, Houston, TX 77010, US 77010-1079

cr +Rusk County, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,
2777 N. Stemmons Freeway, Suite 1000, Dallas, TX 75207-2328

cr +Simon Property Group, Inc., Attn: Ronald M. Tucker, Esq., 225 West Washington Street,
Indianapolis, IN 46204-3438

cr +Smith County, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,
2777 N Stemmons Frwy Ste 1000, Dallas, TX 75207-2328

intp State of Texas, c/o Texas Attorney General's Office, Bankruptcy & Collections Division,
P. O. Box 12548 MC-008, Austin, TX 78711-2548

cr +Sulphur Springs ISD, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,
2777 N Stemmons Frwy Ste 1000, Dallas, TX 75207-2328

cr +Summer Grove, LLC, Kessler Collins, P.C., c/o Howard C. Rubin, 2100 Ross Avenue, Ste. 750,
Dallas, TX 75201-6707

District/off: 0541-4 User: emiller Page 2 of 3 Date Rcvd: May 13, 2020
 Form ID: pdf002 Total Noticed: 65

cr +Tarrant County, Linebarger, Goggan, Blair & Sampson, LLP, c/o Elizabeth Weller,
 2777 N. Stemmons Frwy Ste 1000, Dallas, TX 75207, UNITED STATES 75207-2328
 cr Texas Comptroller of Public Accounts, E. Stuart Phillips, P.O. Box 12548,
 Austin, TX 78711-2548
 cr +Val Verde County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588
 cr +Ward County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588
 cr +Wilson County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

db +E-mail/Text: BNC-ALLIANCE@QUANTUM3GROUP.COM May 13 2020 22:12:09 Stage Stores, Inc.,
 2425 West Loop South, Houston, TX 77027-4300
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Angelina County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, Post Office Box 3064,
 Houston, TX 77253-3064
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Cleveland ISD,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, P.O. Box 3064,
 Houston, TX 77253-3064
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Cypress-Fairbanks ISD,
 Linebarger Goggan Blair & Sampson LLP, C/O Tara L. Grundemeier, P.O. Box 3064,
 Houston, TX 77253-3064
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Fort Bend County,
 Linebarger Goggan Blair & Sampson LLP, C/O Tara L. Grundemeier, P.O. Box 3064,
 Houston, TX 77253-3064
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Galveston County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, Post Office Box 3064,
 Houston, TX 77253-3064
 cr +E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Harris County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, P.O. Box 3064,
 Houston, TX 77253-3064
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Houston CAD,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, Post Office Box 3064,
 Houston, TX 77253-3064
 cr +E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Jasper County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, P.O. Box 3064,
 Houston, TX 77253-3064
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Jefferson County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, Post Office Box 3064,
 Houston, TX 77253-3064
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Madison County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, PO BOX 3064,
 Houston, TX 77253-3064
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Matagorda County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, Post Office Box 3064,
 Houston, TX 77253-3064
 intp +E-mail/Text: jeremiah.buettner@mcafeeetaft.com May 13 2020 22:13:01
 McAfee & Taft A Professional Corporation, Two Leadership Square, Tenth Floor,
 211 N. Robinson, Oklahoma City, OK 73102, UNITED STATES 73102-7109
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Montgomery County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, P.O. Box 3064,
 Houston, TX 77253-3064
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Orange County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, P.O. Box 3064,
 Houston, TX 77253-3064
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Shelby County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, PO BOX 3064,
 Houston, TX 77253-3064
 cr +E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Tyler County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, P.O. Box 3064,
 Houston, TX 77253-3064
 cr E-mail/Text: houston_bankruptcy@LGBS.com May 13 2020 22:12:24 Washington County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, P.O. Box 3064,
 Houston, TX 77253-3064

TOTAL: 18

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****

crcmch ARCP MT Lafayette In, LLC
 cr ARCP MT Springfield IL, LLC
 cr Action Properties, LLC
 cr Ash Investors LLC
 cr BRE RC Southpark II TX LP
 cr Cole MT Rapid City
 cr Comenity Bank
 cr Comenity Capital Bank
 cr EP Downtown LLC
 intp GCCLE-Shadow Creek, LP
 consult Gordon Brothers Retail Partners, LLC
 cr Jack Schwartz Shoes Inc
 cr Ludington Center, LLC
 cr Ralph Lauren Corporation
 cr S4LLC

District/off: 0541-4

User: emiller
Form ID: pdf002

Page 3 of 3
Total Noticed: 65

Date Rcvd: May 13, 2020

***** BYPASSED RECIPIENTS (continued) *****

cr SD (I)LLC
cr SFP Pool Seven, LLC
cr San Juan Associates, LP
cr Spirit Realty Capital, 2727 N.. Harwood St., #300, Dallas
cr Spring Park Property Owners, LLC
cr Vestar Bowles Crossing, LLC
cr Wells Fargo Bank, National Association, as Adminis
cr Wells Fargo Bank, National Association, as Term Lo

TOTALS: 23, * 0, ## 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: May 15, 2020

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on May 13, 2020 at the address(es) listed below:
NONE.

TOTAL: 0