

**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. 22

**ORDER GRANTING DEBTORS' MOTION (I) EXTENDING TIME FOR
PERFORMANCE UNDER CERTAIN UNEXPIRED LEASES, (II) SETTING
ADMINISTRATIVE PROCEDURES WITH RESPECT TO CERTAIN MOTIONS AND
APPLICATIONS FOR PAYMENTS, AND (III) 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 order (this "Order"), (a) extending the time to make timely payments with respect to certain of their unexpired leases of real property for a period of sixty (60) days from the Petition Date; (b) approving the Limited Operational Period Case Administration Procedures; and (c) 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; and 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 it may enter a final order consistent with Article III of the United States Constitution; 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

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 otherwise defined herein have the meanings ascribed to them in the Motion.



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, it is HEREBY ORDERED THAT:

1. For each of the Debtor's unexpired leases of non-residential real property that were closed on the Petition Date, the Debtors' time for performance of monetary obligations arising from and after the Petition Date under such unexpired leases of nonresidential real property is extended through and including the earlier of: (i) the date such store reopens, or (ii) sixty (60) days after the Petition Date. The Debtors and the respective landlords reserve all rights and defenses with respect to whether any such obligation arose before or after the Petition Date.

2. The following procedures are approved:

A. Actions with respect to **Prepetition Defaults**.

- (i) Any motion, application, action, or pleading (any such filing, a "Pleading") filed by a counterparty to an unexpired lease of real property seeking to (a) lift the automatic stay to pursue any actions on account of any alleged **prepetition** default by the Debtors or (b) compel payment, rejection or assumption of any unexpired leases on account of any alleged **prepetition** default by the Debtors shall be automatically set for a status conference (the "Initial Status Conference") as follows (as may be modified by agreement of the parties or further order of the Court):

<u>Pleading Filing Date</u>	<u>Status Conference</u>
May 10, 2020- June 3, 2020	June 10, 2020 at 2:30 p.m. CT
June 4, 2020 - June 23, 2020	June 30, 2020 at 2:00 p.m. CT

June 24 - July 8	July 15, 2020 at 3:00 p.m. CT
July 9, 2020 - July 22, 2020	July 29, 2020 at 2:00 p.m. CT
July 23, 2020 - August 5, 2020	August 12, 2020 at 3:00 p.m. CT
<p>Additional Dates to be Determined at Future Hearing.</p> <p>To the extent no Pleading is filed in the applicable Pleading Filing Date range or all scheduled matters are resolved, any Status Conference may be cancelled by the Debtors by filing a notice of cancellation with the Court if there is no related update.</p>	

- (ii) The Initial Status Conference will not be a hearing and the Debtors do not need to file an objection to any Pleading prior to the Initial Status Conference.
- (iii) At the Initial Status Conference, the Parties will inform the Court of steps taken to consensually resolve the issues raised in the Pleading(s) and each party's perspective as to the most appropriate next steps.
- (iv) To the extent the parties cannot agree to a path forward, the Court will determine whether to set the matter for another status conference, set a briefing schedule, set a hearing date and time, and/or to establish any other date or process the Court deems fit.

(Section 2(A)(i)-(iv) are the "Initial Status Conference Procedures")

B. Actions with Respect to Postpetition Defaults.

- (i) At the status conference on July 15, 2020, the Debtors will provide an update related to the status of any payments to be made pursuant to paragraph 1 of this Order. Landlords that believe they have not been properly paid pursuant to paragraph 1 are encouraged to reach out to Debtors' counsel prior to such status conference, but may also voice such concerns at the status conference.
- (ii) The Debtors will work to consensually resolve any concerns raised by landlords in connection with the July 15, 2020 hearing without the need for such parties to file any Pleadings.
- (iii) If a landlord files a Pleading on or prior to June 23, 2020 related to the Debtors' failure to pay rent and other obligations for the month of June 2020 with respect to a re-opened store, such Pleadings will be set for an Initial Status Conference on June 30, 2020. The Initial Status Conference Procedures shall apply.

- (iv) If a landlord files a Pleading on or prior to July 22, 2020 related to the Debtors' failure to pay any postpetition obligation (other than motions filed pursuant to Section 2(B)(iii), above), such Pleading will be set for an Initial Status Conference on July 29, 2020. The Initial Status Conference Procedures shall apply.

C. Additional Provisions.

- (i) Any Pleading may be resolved consensually by the parties by stipulation, without further order of the Court, including, but not limited to, by agreed rejections, terminations, and/or surrender of the applicable premises.
- (ii) Notwithstanding the foregoing, all parties shall be permitted to seek relief from this Court with respect to exigent and unforeseen circumstances not otherwise inconsistent with this Order and which the Debtors and such parties are unable to resolve consensually.

3. Notwithstanding the foregoing, for any store that is reopened by the Debtors, on or before June 6, 2020, the Debtors shall timely perform all rent and other payment obligations arising on or after June 1, 2020, with respect to the lease for such store, subject to the reservation of rights and defenses set forth in Paragraph 1, above. The Debtors and the landlords reserve all rights as to the timing of payment of any amounts due and payable under such leases prior to June 1, 2020.

4. Notwithstanding anything herein, the Debtors reserve all rights to seek further relief with respect to all matters raised or not raised herein. Without limiting the foregoing, the Debtors reserve all rights to dispute the allowance, validity, or priority of any and all claims, and the relief granted hereunder shall not prejudice the Debtors' right to challenge any claim or payment made under or outside of this Order.

5. Nothing in this Order shall be deemed to affect any rights of any party related to "stub rent."

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

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

8. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Houston, Texas

Dated: _____, 2020

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

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

In re:

STAGE STORES, INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 20-32564 (DRJ)
)
) ~~(Joint Administration~~
) ~~Requested)~~ (Jointly Administered)
)
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) **Re: Docket No. 22**

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**ORDER GRANTING DEBTORS' MOTION (I) EXTENDING TIME FOR
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ADMINISTRATIVE PROCEDURES WITH RESPECT TO CERTAIN MOTIONS AND
APPLICATIONS FOR PAYMENTS, AND (III) 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 order (this "Order"), (a) extending the time to make timely payments with respect to certain of their unexpired leases of real property for a period of sixty (60) days from the Petition Date; (b) approving the Limited Operational Period Case Administration Procedures; and (c) 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; and 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 it may enter a final order consistent with Article III of the United States Constitution; 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

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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, it is HEREBY ORDERED THAT:

1. ~~The Debtors shall not be required to pay rent or other charges with respect to any lease~~For each of the Debtor's unexpired leases of non-residential real property ~~until the earliest of (a) the first payment date that occurs following~~were closed on the Petition Date, the ~~reopening~~Debtors' time for performance of the applicable stores tomonetary obligations arising from and after the Petition Date under such unexpired leases of nonresidential real property is extended through and including the ~~public and (b) earlier of: (i) the date that is~~ such store reopens, or (ii) sixty (60) days fromafter the Petition Date. The Debtors and the respective landlords reserve all rights and defenses with respect to whether any such obligation arose before or after the Petition Date.

2. The following ~~Limited—Operational—Period—Case—Administration Procedures~~procedures are approved:

A. Actions with respect to Prepetition Defaults.

- ~~i.~~(i) Any motion, application, action, or pleading (any such filing, a "Pleading") filed by a counterparty to an unexpired lease of real property seeking to (a) ~~to~~ lift the automatic stay to pursue any actions on account of any alleged prepetition default by the Debtors or (b) ~~to~~ compel payment, rejection, ~~assumption,~~ or assumption ~~and assignment~~ of any unexpired leases on account of any alleged prepetition default by the Debtors shall be automatically set for a status conference ~~on the date that is the next~~

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~~scheduled omnibus hearing that is the closest to thirty (30) days from the filing of such Pleading and no less than thirty (30) days from the filing of such Pleading, or such other time as may be set by the Court in its sole discretion (the “Initial Status Conference”).) as follows (as may be modified by agreement of the parties or further order of the Court);~~

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- ii. ~~If at the Initial Status Conference or a Subsequent Status Conference it is determined that the underlying basis for any Pleading is the failure of the Debtors to pay any postpetition lease obligation (other than any lease obligation deferred pursuant to section 365(d)(3) of the Bankruptcy Code) (such bases, a “Postpetition Payment Default”), then the Court shall set such Pleading for a hearing within thirty (30) days from the applicable status conference, or such other time as may be set by the Court in its sole discretion. For the purposes of these Limited Operation Period Case Administration Procedures, the failure of the Debtors to pay any “stub” rent shall not constitute a Postpetition Payment Default.~~
- iii. ~~If at the Initial Status Conference or a Subsequent Status Conference it is determined that the underlying basis for any Pleading is anything other than a Postpetition Payment Default, then the Pleading shall be set for a Subsequent Status Conference on the date that is the next scheduled omnibus hearing, or such other time as may be set by the Court in its sole discretion (each, a “Subsequent Status Conference”).~~

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- (ii) The Initial Status Conference will not be a hearing and the Debtors do not need to file an objection to any Pleading prior to the Initial Status Conference.

(iii) At the Initial Status Conference, the Parties will inform the Court of steps taken to consensually resolve the issues raised in the Pleading(s) and each party's perspective as to the most appropriate next steps.

(iv) To the extent the parties cannot agree to a path forward, the Court will determine whether to set the matter for another status conference, set a briefing schedule, set a hearing date and time, and/or to establish any other date or process the Court deems fit.

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B. Actions with Respect to **Postpetition Defaults**.

(i) At the status conference on July 15, 2020, the Debtors will provide an update related to the status of any payments to be made pursuant to paragraph 1 of this Order. Landlords that believe they have not been properly paid pursuant to paragraph 1 are encouraged to reach out to Debtors' counsel prior to such status conference, but may also voice such concerns at the status conference.

(ii) The Debtors will work to consensually resolve any concerns raised by landlords in connection with the July 15, 2020 hearing without the need for such parties to file any Pleadings.

(iii) If a landlord files a Pleading on or prior to June 23, 2020 related to the Debtors' failure to pay rent and other obligations for the month of June 2020 with respect to a re-opened store, such Pleadings will be set for an Initial Status Conference on June 30, 2020. The Initial Status Conference Procedures shall apply.

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C. Additional Provisions.

~~iv~~ (i) Any Pleading may be resolved consensually by the parties by stipulation, without further order of the Court, including, but not limited to, by agreed rejections, terminations, and/or surrender of the applicable premises.

~~v~~ (ii) Notwithstanding the foregoing, all parties shall be permitted to seek relief from this Court with respect to exigent and unforeseen circumstances not otherwise inconsistent with this Order and which the Debtors and such parties are unable to resolve consensually.

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~~3. Upon entry of this Order, the Debtors will serve all landlords of the Debtors' unexpired real property leases with notice of this Order.~~

3. Notwithstanding the foregoing, for any store that is reopened by the Debtors, on or before June 6, 2020, the Debtors shall timely perform all rent and other payment obligations arising on or after June 1, 2020, with respect to the lease for such store, subject to the reservation of rights and defenses set forth in Paragraph 1, above. The Debtors and the landlords reserve all rights as to the timing of payment of any amounts due and payable under such leases prior to June 1, 2020.

4. Notwithstanding anything herein, the Debtors reserve all rights to seek further relief with respect to all matters raised or not raised herein. Without limiting the foregoing, the Debtors reserve all rights to dispute the allowance, validity, or priority of any and all claims, and the relief granted hereunder shall not prejudice the Debtors' right to challenge any claim or payment made under or outside of this Order.

5. Nothing in this Order shall be deemed to affect any rights of any party related to "stub rent."

~~5.6.~~ 6. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

~~6.7.~~ 7. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

~~7.8.~~ 8. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Houston, Texas
Dated: _____, 2020

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

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