

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
MOUNTAIN SPORTS LLC; <i>et al.</i> , ¹)	Case No. 24-11385 (MFW)
)	
Debtors.)	Jointly Administered
)	Related to Docket No. 75

**DECLARATION OF ERIC KAUP IN SUPPORT OF DEBTORS' MOTION FOR
ENTRY OF AN INTERIM AND FINAL ORDER (A) AUTHORIZING THE
DEBTORS TO ENTER INTO THE DISPOSITION AGREEMENT; (B)
AUTHORIZING AND APPROVING THE SALE OF INVENTORY AND OTHER
ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES
(C) SCHEDULING FINAL HEARING AND (D) GRANTING RELATED RELIEF**

I, Eric Kaup, hereby declare under penalty of perjury that the following is true to the best of my knowledge, information and belief:

1. I am Vice President, Chief Commercial Officer & Special Counsel of Hilco Trading, LLC, the ultimate parent company of Hilco Merchant Resources, LLC ("Hilco"), which maintains an office at 5 Revere Drive, Suite 206, Northbrook, Illinois 60062.

2. I submit this declaration (the "Declaration") on behalf of Hilco in support of the *Debtors' Motion for Entry of an Interim and Final Order (a) Authorizing the Debtors to Enter Into the Disposition Agreement; (b) Authorizing and Approving the Sale of Inventory and Other Assets Free and Clear of All Liens, Claims, and Encumbrances; (c) Scheduling Final Hearing and (d) Granting Related Relief* (D.I. 55) (the "Motion"). Although not required for

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Mountain Sports LLC (9597); SDI Stores LLC (4751); SDI Gift Card LLC (9775); Bob's Stores USA LLC (6115); and Mountain Sports USA LLC (4036). The location of the Debtors' corporate headquarters is 160 Corporate Court, Meriden, CT 06450.

purposes of approval of the Motion pursuant to section 363 of the Bankruptcy Code, I submit this Declaration and disclose Hilco's connections to the Debtors and Parties in Interest (as defined below) in support thereof. I have reviewed and am familiar with the Motion and the relief sought therein.

3. The facts set forth in my Declaration are based upon my personal knowledge, information, and belief, and upon records kept in the ordinary course of business that were reviewed by me or other employees of Hilco under my supervision and direction. If called as a witness, I would testify to the facts set forth in this Declaration.

4. In the ordinary course of its business, Hilco and its affiliates and subsidiaries (collectively, "Hilco Global") maintain a database (the "Transaction Database") for purposes of performing "conflicts checks." The Transaction Database contains information regarding present and past representations and transactions of Hilco Global. I obtained a list of names of individuals and companies provided by the Debtors for purposes of searching the Transaction Database and determining the connection(s) which Hilco Global has with such entities (attached hereto as **Schedule 1**; collectively, the "Parties in Interest"). Hilco ran the names of all of the Parties in Interest through the Transaction Database to determine whether Hilco Global had in the past, or currently has, any connection to such Parties in Interest. The Transaction Database includes information relating to debt and equity holdings of the entities comprising Hilco Global (including debt and equity holdings by such entities for the account of a third party, if any). In short, if one of the entities comprising Hilco Global holds debt or equity in a Party in Interest, that connection would be identified in the conflicts check and disclosed. Moreover, the conflicts check conducted by Hilco in connection with the Motion did not exclude any affiliates of Hilco or its ultimate parent company.

5. Hilco's search of the Transaction Database identified the connections listed on and described in the attached **Schedule 2**.

6. Except with respect to Hilco's contractual joint venture partners, neither I, Hilco nor any principal, partner, director, officer, or employee thereof, nor any professional retained by Hilco has agreed to share or will share any portion of the compensation to be received from the Debtors by Hilco with any other person other than the principals and regular employees of Hilco.

7. Except with respect to entry into the Disposition Agreement (as defined in the Motion), and except as set forth in **Schedule 2** hereto, to the best of my knowledge, neither I, Hilco, nor any principal, partner, director, officer, or employee thereof, nor any professional retained by Hilco, insofar as I have been able to ascertain, is a creditor, equity security holder, or an insider of the Debtors.

8. To the best of my knowledge, neither I, Hilco, nor any principal, partner, director, officer, or employee thereof, nor any professional retained by Hilco, insofar as I have been able to ascertain, is or has been, within two years before the date of the filing of the petition(s) herein, a director, officer or employee of the Debtors.

9. To the best of my knowledge, neither I, Hilco, nor any principal, partner, director, officer, or employee thereof, nor any professional retained by Hilco, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matter(s) upon which Hilco is engaged, by reason of any direct or indirect relationship to, or connection with, or interest in, the Debtors or for any other reason.

10. Hilco is conducting further inquiries regarding Hilco's engagement by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of

Hilco's engagement if Hilco should discover any facts bearing on the matters described herein, Hilco will supplement the information contained in this Declaration.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: July 8, 2024

Hilco Merchant Resources, LLC

By:  _____

Eric Kaup
EVP, CCO & Special Counsel, Managing
Member

Schedule 1

Parties in Interest List

In re Mountain Sports LLC, et al. – Case No. 24-11385
Conflicts List

DEBTORS

Mountain Sports LLC
SDI Stores LLC
SDI Gift Card LLC
Bobs Stores USA LLC
Mountain Sports USA LLC

INSIDER/PRINCIPAL

David Barton
Jason Peterson

MOUNTAIN SPORTS LLC – TOP 20 CREDITORS

Altra, Inc.
VF Outdoor, LLC
Amer Sports Winter & Outdoor Company
Black Diamond Equipment
Cotopaxi/Global Uprising, PBC
Google LLC
Gregory Mountain Products Samsonite LLC
Marmot Mountain International
Mountain Shades, Inc.
North Face VR Outdoor, Inc.
Oboz Footwear LLC
ON Inc.
Outdoor Research, Inc.
PFE Express Ltd
Prana, Inc.
Smartwool Corporation VF Outdoor Inc.
Steel Technology LLC
Thule Inc.
Vuori Inc.
Wolverine World Wide, Inc.
Yell Steel Enterprise, Inc.

SDI STORES LLC – TOP 20 CREDITORS

47 Brand, LLC
Adidas Sales, Inc.
Aptos LLC
Ariat International Inc.
Carhartt
Columbia Sportswear Co.
GoDigital Media Group
Hamilton, Kane, Martin, ENT., Inc.

In re Mountain Sports LLC, et al. – Case No. 24-11385

Conflicts List

HanesBrands, Inc.
Levi Strauss & Co.
Merchstack, Inc.
One Step Up Ltd.
Optimad Media LLC
Puma North America
Skechers USA, Inc.
TBP Cranston LLC
Under Armour Inc.
VF Outdoor Timberland
VFI KR SPE I LLC
Wolverine Word Wide, Inc.

SDI GIFT CARD LLC – TOP 20 CREDITORS

FDS Holdings Inc.
First Data
VFI KR SPE I LLC

BOBS STORES USA LLC – TOP 20 CREDITORS

Constellation New Energy, Inc.
Eversource
Sky 103, LLC
VFI KR SPE I LLC

MOUNTAIN SPORTS USA, LLC – TOP 20 CREDITORS

Columbia Partners NH, LLC
North Conway Water Precinct
White Mountain Oil & Propane

CREDITORS WHO HAVE FILED UCC-1 FINANCING STATEMENTS

PNC Bank, N.A.
VFI KR SPE I LLC
SB360 Capital Partners, LLC
Dell Financial Services L.L.C.

DEBTORS' LANDLORDS

Ahold Delhaize Real Estate DBA: The Stop & Shop Supermarket Company LLC
BH Premium Quality Waterbury LLC
TLG Newington, LLC
Milford Plaza Holdings DE LLC
TBP Cranston LLC

In re Mountain Sports LLC, et al. – Case No. 24-11385
Conflicts List

DSM MB II LLC
Simsbury Commons LLC
Barbara F. Jablonski
B33 Centereach II, LLC
MS Portfolio, LLC
Hamilton, Kane, Martin Enterprises, Inc.
Rockingham 620, LLC
Shoppes at Buckland Hills, LLC
Twin Cities Plaza Owner LLC
AGS Ansonia, LLC
Elite Development Group LLC
Amalgamated Financial Group VIII, L.P.
Levin Properties, LP
M C CO., LLC
Holyoke Mall Company LP
R.K. Southington LLC
OSJ of Westborough, LLC
Chase Crossroads Waterford Square, LLC
SKY 103 LLC
W/S Hadley Asset Management Inc.
GWB Freeport, LLC
3N-SB, LLC
Prudential Realty Co.
Juniper Vose, LLC
1513 Iyannough LLC
Trader Joe's East, Inc.
CH Realty VIII/Boston Middlesex Marketplace LLC
Somerset County Shopping Center
c/o Levin Management Corporation
MNH Mall, L.L.C.
CTR Powerhouse LLC
G&I IX Empire Tops Plaza Ithaca LLC

The Shoppes at Wilton, LLC
Stuyvesant Plaza, Inc.
R.K. Portsmouth, LLC
LARC Asset Management
Columbia Partners NH, LLC
REG-UB Properties, LLC
DBA: Regency Centers, L.P

In re Mountain Sports LLC, et al. – Case No. 24-11385

Conflicts List

Macerich Deptford LLC

Canton R2G Owner LLC

JUDGES OF THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

Chief Judge John T. Dorsey

Judge Craig T. Goldblatt

Judge Karen B. Owens

Judge Thomas M. Horan

Judge Brendan L. Shannon

Judge Laurie Selber Silverstein

Judge J. Kate Stickles

Judge Mary F. Walrath

UST FOR REGION 3 AND STAFF MEMBERS OF THE WILMINGTON OFFICE

Joseph McMahon

Lauren Attix

Malcolm M. Bates

Fang Bu

Linda Casey

Joseph Cudia

Holly Dice

Shakima L. Dortch

Timothy J. Fox, Jr.

Diane Giordano

Michael Girello

Christine Green

Benjamin Hackman

Nyanquoi Jones

Jane Leamy

Jonathan Lipshie

Hannah M. McCollum

Jonathan Nyaku

James R. O'Malley

Linda Richenderfer

Richard Schepacarter

Edith A. Serrano

Rosa Sierra-Fox

Elizabeth Thomas

Dion Wynn

Schedule 2

Disclosures

SCHEDULE 2

Disclosure of Connections

- a) Hilco and its contractual joint venture partner in this case, Gordon Brothers Retail Partners, LLC (“GBRP”), were retained in 2017 to provide store closing and inventory liquidation services to Eastern Outfitters, LLC and its affiliates (the “Previous Debtors”) in the chapter 11 bankruptcy cases jointly administered under Case No 17-10243 (LSS) in the District of Delaware. The Debtors acquired the assets of the Previous Debtors.
- b) Hilco and GBRP are currently providing store closing services for the Debtors at certain of the Debtors’ retail locations that have been designated by Debtors’ management as Closing Stores.
- c) Hilco and certain of its affiliates employ the following individuals who previously were associated with the Bankruptcy and Corporate Restructuring section of the law firm of Young Conaway Stargatt & Taylor, LLP (“YCST”) in Wilmington, Delaware: (i) Ian S. Fredericks, President of Hilco, and (ii) David Peress, Executive Vice President of Hilco Streambank, an affiliate of Hilco. Mr. Peress and Mr. Fredericks left YCST in 2000 and 2008, respectively. While the above individuals were at YCST, the Honorable Brendan L. Shannon and the Honorable John T. Dorsey (District of Delaware) were partners in the Bankruptcy and Corporate Restructuring section. Further, while at Ashby & Geddes, the Honorable Karen Owens provided legal services to Hilco and/or its affiliates in matters unrelated to the Debtors and these cases.
- d) Joseph Malfitano, Senior Managing Director and Global Head Transaction Counsel at GBRP was previously employed by the parent company of Hilco.
- e) In matters unrelated to the Debtors, Hilco and/or affiliates of Hilco have previously performed asset appraisal, asset liquidation, field exam, and/or other advisory services or asset disposition and related services for (or related to) PNC Bank, N.A. Hilco does not believe that this connection creates a conflict of interest regarding the Debtors or these chapter 11 cases.
- f) Hilco provides inventory disposition and store closing services to its retail clients. Hilco Real Estate, LLC (“HRE”), an affiliate of Hilco, provides lease restructuring and disposition services for its commercial real estate clients. In the ordinary course of their respective businesses Hilco and/or HRE may have transacted with one or more of the parties-in-interest who may be landlords of the Debtors on matters unrelated to the Debtors, including (i) Ahold Delhaize Real Estate dba The Stop & Shop Supermarket Company LLC, (ii) Shoppes at Buckland Hills, LLC, (iii) Levin Properties, LP, (iv) Holyoke Mall Company LP, (v) MNH Mall, L.L.C., (vi) Regency Centers, L.P., and (vii) Macerich Deptford LLP. Hilco does not believe that these connections create a conflict of interest regarding the Debtors or these chapter 11 cases.
- g) In matters unrelated to the Debtors, Hilco and its affiliates have transacted or partnered with and/or have been represented by the following parties or professionals in matters unrelated to the Debtors and these chapter 11 cases: (i) One Step Up Ltd., and (ii) SB360 Capital Partners,

LLC. Hilco does not believe that these connections create a conflict of interest regarding the Debtors or these chapter 11 cases.

- h) Because of the magnitude of the entire creditor list in these cases, it is possible that Hilco may represent or may have represented other creditors of the Debtors but does not represent any such creditors in connection with these cases. Hilco presently or in the past has served as a professional person in other matters, wholly unrelated to the Debtors or these cases, in which other attorneys, accountants and other professionals of the Debtors, creditors, or other parties in interest may have also served or serve as professional persons.