

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

In re:

CONN'S, INC., *et al.*¹

Debtors.

Chapter 11

Case No. 24-33357 (ARP)

(Joint Administration Requested)

(Emergency Hearing Requested)

**DEBTORS' EMERGENCY MOTION
FOR ENTRY OF INTERIM AND FINAL ORDERS
(I) APPROVING AND AUTHORIZING THE DEBTORS
TO ASSUME AND PERFORM UNDER THE STORE CLOSING
CONSULTING AGREEMENT, (II) APPROVING PROCEDURES FOR STORE
CLOSING SALES, (III) APPROVING MODIFICATIONS TO CERTAIN
CUSTOMER PROGRAMS, (IV) AUTHORIZING BONUSES FOR NON-INSIDER
EMPLOYEES OF CLOSING STORES, AND (V) GRANTING RELATED RELIEF**

Emergency relief has been requested. Relief is requested not later than July 24, 2024.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on July 24, 2024 at 11:00 a.m. (prevailing Central Time) in Courtroom 400, floor 4, 515 Rusk Avenue, Houston, TX 77002.

Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at 832-917-1510. Once connected, you will be asked to enter the conference room number. Judge Perez's conference room number is 282694. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Perez's home page. The meeting code is "JudgePerez". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Perez's home page. Select the case name, complete the required fields and click "Submit" to complete your appearance.

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are: Conn's, Inc. (2840), Conn Appliances, Inc. (0706), CAI Holding, LLC (2675), Conn Lending, LLC (9857), Conn Credit I, LP (0545), Conn Credit Corporation, Inc. (9273), CAI Credit Insurance Agency, Inc. (5846), New RTO, LLC (6400), W.S. Badcock LLC (2010), W.S. Badcock Credit LLC (5990), and W.S. Badcock Credit I LLC (6422). The Debtor's service address is 2445 Technology Forest Blvd., Suite 800, The Woodlands, TX 77381.

Conn’s, Inc., and its debtor affiliates, as debtors and debtors in possession (collectively, the “Debtors” or “Merchant”) in the above-captioned chapter 11 cases, hereby submit this motion (this “Motion”). In support of this Motion, the Debtors submit the *Declaration of Norman L. Miller in Support of the Debtors’ Chapter 11 Petitions and First Day Pleadings* (the “First Day Declaration”), the Declaration of Timothy J. Shilling in support of the Motion (the “Consultant Declaration”) and the Declaration of Mark A. Renzi in support of the Motion (the “CRO Declaration”), each filed contemporaneously herewith and incorporated herein by reference.² In further support of this Motion, the Debtors state as follows:

Relief Requested

1. By this Motion, the Debtors seek entry of an interim order and a final order, substantially in the forms attached hereto as Exhibit A and Exhibit B, respectively, granting, among other things, the following relief:

- a. approving, and authorizing the Debtors to assume and perform under, a Store Closing Consulting Agreement, the form of which is attached to the Interim Order as Exhibit 1 (together with amendments and supplements thereto, the “Consulting Agreement”), by and among Conn’s, Inc. (collectively, the “Merchant”) and B. Riley Retail Solutions, LLC;
- b. authorizing and approving the continuation and/or initiation of store closings and related matters (the “Store Closing Sales” or the “Sales”) in accordance with the terms of the Consulting Agreement, as applicable, and the store closing sale procedures attached to the Interim Order as Exhibit 2 (the “Store Closing Procedures”), with such sales to be free and clear of all liens, claims, and encumbrances;
- c. approving the sale and/or abandonment of certain Store Closing Assets (as defined below);
- d. approving modifications to certain customer programs, including the Debtors’ return policy and acceptance of gift certificates;

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the First Day Declaration and Consulting Agreement.

- e. authorizing the sale or disposition of the Store Closing Assets free and clear of all liens, claims, and encumbrances;
- f. authorizing bonuses to non-insider Closing Store employees who remain employed for the duration of the store closing process (the “Store Closing Bonuses”); and
- g. granting related relief, including scheduling a final hearing to consider approval of the Motion on a final basis.

Jurisdiction and Venue

2. On the date hereof (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under sections 101–1532 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “Court”). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No party has requested the appointment of a trustee or examiner in these cases, and no statutory committee has been appointed.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The Bases for the relief requested herein are sections 105(a), 363, 365 and 554 of title 11 of the United States Code (the “Bankruptcy Code”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), rules 1075-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Local Rules”), and the Procedures for Complex Chapter 11 Cases in the Southern District of Texas.

Background of the Debtors

6. The Debtors serve as a leading retailer offering a broad selection of quality furniture and mattresses, home appliances, consumer electronics, home office products, accessories, and seasonal items from leading global brands across a wide range of price points in addition to

proprietary credit solutions for its core consumers. The Debtors operate an integrated and scalable business through their retail stores and websites. The Debtors' credit offerings provide financing solutions to a large, under-served population of consumers who typically have limited credit alternatives.

7. The Debtors employ approximately 3,800 full-time employees and 150 part-time employees in the United States. In addition, the Debtors operate retail facilities in 15 states, totaling 553 retail stores and 22 distribution and service facilities.

8. Additional information regarding the Debtors' business, capital structure and the circumstances preceding the Petition Date may be found in the First Day Declaration.

The Store Closing Sales

I. Overview

9. The Debtors currently operate 553 retail locations, of which 310 are dealer owned stores. In connection with the Debtors' business plan and successful administration of these Chapter 11 Cases, the Debtors currently anticipate closing their retail stores (collectively, the "Closing Stores" or the "Stores") and, through this Motion, seek authority to continue to and/or initiate Store Closing Sales pursuant to the Store Closing Procedures. As of the Petition Date, the Debtors have initiated the process of commencing Store Closing Sales at all the Debtors' retail locations pursuant to the Consulting Agreement and the Store Closing Procedures.

10. As set forth in more detail below, after reviewing competing proposals and consulting terms in other similarly situated chapter 11 cases, in order to maximize the value of their assets and facilitate the Store Closing Sales, prior to the Petition Date, the Debtors entered into the Consulting Agreement with B. Riley Retail Solutions, LLC (the "Consultant").³ The

³ As set forth in the Consultant Declaration, Consultant is an affiliate of the agent under the Debtors' Second Lien Loan Agreement.

Debtors seek approval of, and authority to assume and perform under, the Consulting Agreement. The Debtors, in consultation with their advisors, selected the Consultant after considering numerous factors, including, but not limited to, (a) the Consultant's prior experience handling the liquidation of various similar retailers, (b) the amount and experience of Supervisors (defined below) designated by the Consultant to handle the project, (c) potential upside that could be realized under a "fee" based structure, and (d) the ability of the Consultant to supplement the Debtors' inventory with through an augmentation program. The Debtors have concluded in their business judgment that the Consultant's services are necessary (i) for a seamless and efficient store closing process, as contemplated by this motion and (ii) to maximize the value of the saleable inventory located in the Closing Stores (the "Merchandise") and the associated furniture, furnishings, fixtures, and equipment that are located in the Closing Stores (the "FF&E" and, together with the Merchandise, the "Store Closing Assets"). The Consultant is nationally recognized in the retail industry and has developed a familiarity with the Debtors' stores, assets, and operations, such that the Consultant is well-qualified and capable of performing the tasks contemplated under the Consulting Agreement in a manner that is value-maximizing for the Debtors' estates. The Debtors initiated the process of conducting Store Closing Sales on June 26, 2024. As such, the Debtors seek an Interim Order allowing the Store Closing Sales to continue.⁴

11. The Debtors also seek approval of the Store Closing Procedures and other relief that will (a) permit the Debtors to commence (or, as applicable, continue) the Store Closing Sales in a timely manner as circumstances allow and (b) establish fair and uniform procedures to assist

⁴ The Debtors reserve the right to modify, supplement, or otherwise revise the Consulting Agreement or Store Closing Procedures at any time before the final hearing on the Motion.

the Debtors in administering the Store Closing Sales efficiently, each of which is integral to maximizing the proceeds of the Store Closing Sales and, thus, the Debtors' estates.

II. The Consulting Agreement

12. Pursuant to the Consulting Agreement, the Consultant will serve as an independent consultant to the Debtors in connection with the Store Closing Sales. Assumption of the Consulting Agreement will allow the Debtors to utilize the capabilities, experience, and resources of the Consultant in performing the Store Closing Sales in a format that allows the Debtors to retain control over the process. A summary of the key terms of the Consulting Agreement is set forth below.⁵ A copy of the Consulting Agreement is attached to the Interim Order as Exhibit 1.

<u>Term</u>	<u>Consulting Agreement</u>
Services Provided by Consultant	<p>During the Sale Term, the Consultant will provide the following services:</p> <ul style="list-style-type: none"> • provide qualified supervisors (the “<u>Supervisors</u>”) engaged by Consultant to oversee the Sale and management of the Stores in an effort to maximize revenue and sell all of the Merchandise prior to the end of the Sale; • determine appropriate point-of-sale and external advertising, subject to the reasonable advance approval of Merchant; • determine appropriate discounts of Merchandise and Services, staffing levels, and appropriate bonus and incentive programs, if any, for the Stores’ employees, each subject to the reasonable advance approval of Merchant; • oversee display of Merchandise for the Stores; • evaluate sales of Merchandise by category, provide sales reporting (but only if, and to the extent that, Merchant provides Consultant access to the point of sale data in the normal course), and monitor expenses; • assist Merchant in connection with managing and controlling loss prevention and employee relations matters;

⁵ The following summary chart is for the convenience of the Court and parties in interest. To the extent there is any conflict between this summary and the Consulting Agreement, the Consulting Agreement shall govern in all respects. Capitalized terms used but not defined in the summary chart have the meaning ascribed to them in the Consulting Agreement.

<u>Term</u>	<u>Consulting Agreement</u>
	<ul style="list-style-type: none"> • to the extent necessary, assist Merchant in obtaining any required permits and governmental consents required to conduct the Sale; • price, market, and sell the FF&E on behalf of Merchant; and • provide such other related services deemed necessary or appropriate by Merchant and Consultant, including but not limited to arranging wholesale sales of the Merchandise.
Sale Term	<p>The Sale Term is the period between the Sale Commencement Date and the Sale Termination Date. The Sale shall commence no later than June 26th, 2024 (the “<u>Sale Commencement Date</u>”) and conclude no later than October 31st, 2024 (the “<u>Sale Termination Date</u>”); <i>provided</i>, however, that the Parties may mutually agree in writing to extend or terminate the Sale at any Store(s) prior to the Sale Termination Date. The date on which the Sale has concluded at all of the Stores is the “<u>Sale Termination Date</u>”.</p>
Expenses of Consultant	<ul style="list-style-type: none"> • Merchant shall be responsible for all reasonable costs and expenses incurred by Consultant in connection with the sale of FF&E in accordance with a mutually agreed budget to be determined at a later time. Such expenses are not included in the Expense Budget attached to the Consulting Agreement. • Merchant shall be responsible for all costs and expenses of the Sale, including but not limited to all Store-level operating expenses. To control the Sale expenses, Merchant and Consultant have established an Expense Budget, a copy of which was attached to the Consulting Agreement and has been and may be modified from time to time by agreement of Merchant and Consultant. • As an advance against the expenses of the Sale, prior to the Petition Date, Merchant paid Consultant a deposit in the amount of two-hundred and fifty thousand dollars (\$250,000.00), which shall be applied against Consultant Expenses, Base Fee, and/or FF&E Fee at the end of the Sale Term and, to the extent not expended when the Sale concludes, shall be returned to Merchant as part of the Final Reconciliation or such other time that Merchant and Consultant mutually agree.
Consultant Compensation	<ul style="list-style-type: none"> • <i>Consultant’s Fee</i>: as consideration for its services under this Agreement, Merchant shall pay to Consultant a fee equal to a percentage of all Gross Proceeds of Merchandise and FF&E. • More specifically, for the sale of Merchandise during the Sale, Merchant shall pay Consultant a base fee (“<u>Base Fee</u>”) based upon gross recoveries on cost as set forth below:

Term	Consulting Agreement									
	<table border="1"> <thead> <tr> <th data-bbox="597 237 883 384">Consultant's Fee</th> <th data-bbox="883 237 1421 384">Gross Recovery on Cost Thresholds (calculated as Gross Proceeds divided by cost of Merchandise sold)</th> </tr> </thead> <tbody> <tr> <td data-bbox="597 384 883 464">1.75%</td> <td data-bbox="883 384 1421 464">Below 105% of Cost</td> </tr> <tr> <td data-bbox="597 464 883 546">2.0%</td> <td data-bbox="883 464 1421 546">Between 105.1% and 109.9% of Cost</td> </tr> <tr> <td data-bbox="597 546 883 627">2.25%</td> <td data-bbox="883 546 1421 627">110% of Cost or More</td> </tr> </tbody> </table>	Consultant's Fee	Gross Recovery on Cost Thresholds (calculated as Gross Proceeds divided by cost of Merchandise sold)	1.75%	Below 105% of Cost	2.0%	Between 105.1% and 109.9% of Cost	2.25%	110% of Cost or More	<ul style="list-style-type: none"> For the sale of FF&E during the Sale, a fee equal to fifteen percent (15.0%) of all Gross Proceeds of FF&E sales ("<u>FF&E Fee</u>"). <i>Gross Rings</i>: For purposes of calculating Gross Proceeds, the Base Fee, and FF&E Fee, the Parties shall use the "Gross Rings" method, wherein Consultant and Merchant shall jointly keep (i) a strict count of gross register receipts less applicable sales taxes, (ii) cash reports of sales within each Store, and (iii) invoices of sales made through wholesale channels, if any. All such records and reports shall be made available to Consultant and Merchant during regular business hours upon reasonable notice.
Consultant's Fee	Gross Recovery on Cost Thresholds (calculated as Gross Proceeds divided by cost of Merchandise sold)									
1.75%	Below 105% of Cost									
2.0%	Between 105.1% and 109.9% of Cost									
2.25%	110% of Cost or More									
Additional Goods	<ul style="list-style-type: none"> Consultant may deliver to any Store certain items of merchandise (the "<u>Additional Goods</u>") of like kind and quality to the Merchandise in such Store. The Additional Goods and the proceeds thereof shall be the exclusive property of Consultant, and no other person or entity shall have any claim against any of the Additional Goods or their proceeds unless Consultant otherwise agrees with another person or entity, pursuant to a separate written agreement. The Additional Goods and the identifiable proceeds thereof are not property of Merchant (or Merchant's estate) and do not constitute property of Merchant (or Merchant's estate) subject to any lender's lien. Merchant acknowledges that it does not acquire any property right or security interest in such Additional Goods. Consultant shall be entitled to allow consignment third party vendors to sell Additional Goods at the Stores. Merchant shall utilize distinct stock-keeping units ("<u>SKUs</u>") or other means in order to distinguish the Additional Goods from other Merchandise at the Stores. 									

<u>Term</u>	<u>Consulting Agreement</u>
	<ul style="list-style-type: none"> • Merchant shall collect all actual proceeds of all sales from the sale of the Additional Goods (“<u>Gross Proceeds from Additional Goods</u>”). Merchant shall be entitled to retain seven and one half percent (7.5%) (“<u>Merchant’s Share</u>”) of such Gross Proceeds from Additional Goods (net of any applicable sales taxes) and shall remit the remaining ninety two and one half percent (92.5%) (“<u>Consultant’s Share</u>”) of such Gross Proceeds from Additional Goods (net of any applicable sales taxes) to Consultant on a bi-weekly basis. • Promptly following the Sale Termination Date, Consultant shall remove the remaining Additional Goods, if any, from the Store. • No later than forty-five (45) days following the Sale Termination Date, the Parties shall complete a final reconciliation and settlement of the sale of Additional Goods, including a summary of Gross Proceeds from Additional Goods, expenses incurred (including the cost of goods sold, shipping, ticketing, etc.), and any amounts paid pursuant to Section 7(c) against the final reconciliation of the sale results (the “<u>Final Reconciliation of Additional Goods</u>”). • Consultant shall submit invoices or other reasonable documentation to Merchant as part of the Final Reconciliation of Additional Goods setting forth expenses it has incurred with respect to the sale of the Additional Goods. • Upon completion of the Final Reconciliation of Additional Goods, the Parties shall pay or be paid, as applicable, any amounts remaining to equal to (i) any unpaid portion of Consultant’s Share and (ii) any unpaid portion of Merchant’s Share.
Merchant’s and Consultant’s Insurance Obligations	<ul style="list-style-type: none"> • Merchant shall maintain, throughout the Sale Term, liability insurance policies (including, without limitation, products liability, comprehensive commercial general liability insurance, and auto liability insurance), with at least the coverage limits existing thereunder as of the date of the Consulting Agreement, covering injuries to persons and property in or in connection with the Stores and/or the Merchandise, and shall cause Consultant to be named an additional insured with respect to all such policies. In addition, Merchant shall maintain throughout the Sale Term, in such amounts as it had in effect as of the date of the Consulting Agreement, workers compensation insurance in compliance with all applicable statutory requirements. • Consultant shall maintain, throughout the Sale Term, comprehensive commercial general liability insurance in an

<u>Term</u>	<u>Consulting Agreement</u>
	<p>amount of at least one million dollars (\$1,000,000) per occurrence and at least five million dollars (\$5,000,000) in the aggregate covering injuries to persons and property in or in connection with Consultant's provision of services at the Stores.</p>
Indemnification by Consultant	<p>Consultant shall indemnify, defend and hold Merchant and its affiliates and its and their respective members, managers, partners, officers, directors, employees, attorneys, advisors, and principals and consultants (other than Consultant or the Consultant Indemnified Parties (defined below)) (collectively, the “<u>Merchant Indemnified Parties</u>”) harmless from and against all liabilities, claims, demands, damages, costs, and expenses (including reasonable attorneys' fees) (collectively, “<u>Losses</u>”) arising from or related to:</p> <ul style="list-style-type: none"> • the willful misconduct or grossly negligent acts or omissions of Consultant, • any harassment, discrimination or violation of any laws or regulations or any other unlawful, tortious or otherwise actionable treatment of the Merchant Indemnified Parties or Merchant’s customers by Consultant or any of the Consultant Indemnified Parties, and • any claims made by any party engaged by Consultant as an employee, agent, representative or independent contractor arising out of Consultant’s or any of the Consultant Indemnified Parties’ acts or omissions.
Indemnification by Merchant	<p>Merchant shall indemnify, defend and hold Consultant and its affiliates and its and their respective members, managers, partners, officers, directors, employees, attorneys, advisors, principals, consultants and Supervisors (collectively, the “<u>Consultant Indemnified Parties</u>”) harmless from and against all Losses arising from or related to:</p> <ul style="list-style-type: none"> • the acts or omissions of Merchant or Merchant Indemnified Parties; • any liability or other claims, including, without limitation, product liability claims, asserted by customers, any Store employees (under a collective bargaining agreement or otherwise), or any other person (excluding the Consultant Indemnified Parties) against Consultant or any Consultant Indemnified Party, except claims arising from Consultant’s own gross negligence or willful misconduct; • any harassment, discrimination or violation of any laws or regulations or any other unlawful, tortious, or otherwise actionable treatment of any Consultant Indemnified Parties or

<u>Term</u>	<u>Consulting Agreement</u>
	<p>Merchant’s customers by Merchant or any Merchant Indemnified Parties;</p> <ul style="list-style-type: none"> • Merchant’s failure to pay over to the appropriate taxing authority any taxes required to be paid by Merchant during the Sale Term in accordance with applicable law; • any claims of Merchant’s employees for wages, benefits, severance pay, termination pay, vacation pay, pay in lieu of notice of termination or any other liability arising from Merchant’s employment, hiring or retention of its employees; and/or • any liability or other claims arising out of liens, claims, interests and encumbrances asserted against the Merchandise or FF&E by any third parties, in each case. <p>Further, Merchant agrees to promptly reimburse the Consultant Indemnified Parties for any legal fees or other expenses reasonably incurred by the Consultant Indemnified Parties in connection with such claims as they are incurred.</p>

III. The Store Closing Procedures

13. The Debtors also seek approval of streamlined procedures (*i.e.*, the Store Closing Procedures) to sell or transfer the Store Closing Assets, in each case free and clear of liens, claims, and encumbrances. The Consultant will effectuate the Store Closing Sales in accordance with the Store Closing Procedures. The Debtors have determined, in the exercise of their business judgment and in consultation with their advisors, that the Store Closing Procedures provide the best and most efficient means of selling the Store Closing Assets to maximize the value to their estates. The Debtors seek emergency approval of the Store Closing Procedures in order to facilitate their efforts at maximizing the recovery value of the Debtors’ Store Closing Assets and minimize occupancy costs associated with the Closing Stores.

14. The Store Closing Procedures are consistent in all material respects with store closing procedures reviewed and approved by courts nationwide in approving the conduct of similar store closing sales. The Debtors have therefore determined, in the exercise of their business

judgment and in consultation with their advisors, including the Consultant, that the Store Closing Procedures provide the best, most efficient, and most organized means of selling the Store Closing Assets to maximize their value to the estates.

A. Applicable State Laws and Dispute Resolution Procedures

15. Certain states in which the Closing Stores are located have or may have licensing or other requirements governing the conduct of store closing, liquidation, or other inventory clearance sales, including (but not limited to) state and local laws, statutes, rules, regulations, and ordinances (the “Applicable Sale Laws”). The Applicable Sale Laws may establish licensing, permitting, or bonding requirements, waiting periods, time limits, and bulk sale restrictions and augmentation limitations that would otherwise apply to the Store Closing Sales. Such requirements may hamper the Debtors’ ability to maximize value in selling their inventory. Subject to the Court’s approval, the Debtors intend to conduct the Store Closing Sales in accordance with the Store Closing Procedures and, to the extent such procedures conflict with the Applicable Sale Laws, the Interim Order, Final Order or the Store Closing Procedures, as the context requires, shall control.

16. To facilitate the orderly resolution of any disputes between the Debtors and any Governmental Units (as defined in section 101(27) of the Bankruptcy Code) arising due to the Store Closing Procedures and the alleged applicability of any Applicable Sale Laws, the Debtors respectfully request that the Court authorize the Debtors to implement the dispute resolution procedures set forth in the Interim Order (and thereafter the Final Order) (the “Dispute Resolution Procedures”).

B. Fast Pay Laws

17. Many states in which the Debtors operate have laws and regulations that require the Debtors to pay an employee substantially contemporaneously with their termination (the “Fast Pay

Laws” and, together with the Applicable Sale Laws, the “Applicable State Laws”). These laws often require payment to occur immediately or within a period of only a few days from the date such employee is terminated. The nature of the Store Closing Sales contemplated by this motion may result in the termination of employees related to the Closing Stores at or near the end of the Store Closing Sales. While the Debtors intend to pay their terminated employees as expeditiously as possible and under normal payment procedures and as may be authorized by the Court, the Debtors’ payroll systems may be unable to process the payroll information associated with these terminations in a manner that will be compliant with the Fast Pay Laws. Under ordinary circumstances, the Debtors’ payroll department is able to coordinate delivery of final checks to coincide with an employee’s final day of work where required by state law. This process requires the Debtors’ payroll department to calculate individual termination payments, prepare each termination payment check, obtain authorization for each such check, and then prepare each such check for mailing. Given the number of employees who may be terminated at the same instance in connection with the Store Closing Sales, this process could take several days, making compliance with the Fast Pay Laws burdensome to the Debtors’ estates, if not impossible. Thus, the Debtors respectfully request that the Court authorize the Store Closing Sales contemplated by this motion without the necessity to comply with the deadlines imposed by the Applicable State Laws.

C. Lease Restrictions

18. The Debtors also request a waiver of any contractual restrictions that could otherwise inhibit or prevent the Debtors from maximizing value for creditors through the Store Closing Sales. In certain cases, the contemplated Store Closing Sales and store closures may be inconsistent with certain provisions of leases, subleases, or other documents with respect to the premises in which the Debtors operate, including (without limitation) reciprocal easement

agreements, agreements containing covenants, conditions, and restrictions (including, without limitation, “go dark” provisions, store closings and/or liquidation sales, and landlord recapture rights), or other similar documents or provisions. These restrictions would also hamper the Debtors’ ability to maximize value in selling their inventory.

19. The Debtors further request that no entity (including, without limitation, landlords, licensors, property owners, property managers, shopping center managers, service providers, utility, personnel, or creditors, and all persons acting for or on their behalf) be permitted to interfere with or otherwise impede the conduct of the Store Closing Sales, or institute any action against the Debtors in any court (other than in this Court) or before any administrative body that in any way directly or indirectly interferes with, obstructs, or otherwise impedes the conduct of the Store Closing Sales, store closures, or the advertising and promotion (including through the posting of signs and use of sign walkers) of the Store Closing Sales.

20. The Debtors anticipate potential concerns from landlords and will be keen to resolve such concerns as expeditiously as possible. In similar cases, debtors have proposed store closing procedures with materially similar terms. Consistent with store closing procedures in other cases, the Debtors respectfully request the authority to enter into “side letters” with the applicable landlord to resolve any landlord concerns that may arise (the “Side Letters”). Side letters may be used to set out agreed-upon terms that may differ from the Store Closing Procedures. To the extent that the terms of a Side Letter conflict with the Store Closing Procedures, the Side Letter will govern. The authority to enter into Side Letters will provide the Debtors with flexibility to address landlord concerns as they arise, leading to more efficient sales with increased landlord support

during this period. A summary of the material terms of the Store Closing Procedures is set forth below.⁶

<u>Store Closing Procedures</u>	
1.	The Store Closing Sales will be conducted during normal business hours or such hours as otherwise permitted by the applicable unexpired lease.
2.	The Store Closing Sales will be conducted in accordance with applicable state and local “Blue Laws,” and thus, where such a law is applicable, no Store Closing Sales will be conducted on Sunday unless the Debtors have been operating such Closing Stores on Sundays.
3.	On “shopping center” property, neither the Debtors nor the Consultant shall distribute handbills, leaflets, or other written materials to customers outside of any Closing Stores’ premises, unless permitted by the applicable lease or if distribution is customary in the “shopping center” in which such Closing Store is located; <i>provided</i> that the Debtors and the Consultant may solicit customers in the Closing Stores themselves. On “shopping center” property, neither the Debtors nor the Consultant shall use any flashing lights or amplified sound to advertise the Store Closing Sales or solicit customers, except as permitted under the applicable lease or agreed in writing by the landlord.
4.	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 the Store Closing Procedures. The purchasers of any FF&E sold during the Store Closing Sales shall be permitted to remove the FF&E either through the back or alternative shipping areas at any time, or through other areas after Closing Store’s business hours; <i>provided</i> , however, that the foregoing shall not apply to <i>de minimis</i> FF&E sales made whereby the item can be carried out of a Closing Store in a shopping bag.
5.	The Debtors and the Consultant shall be permitted to utilize sign walkers, displays, hanging signs, and interior banners in connection with the Store Closing Sales; <i>provided</i> that such sign walkers, displays, 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, displays, 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

⁶ The following summary chart is for the convenience of the Court and parties in interest. To the extent there is any conflict between this summary and the Consulting Agreement, the Consulting Agreement shall govern in all respects. Capitalized terms used but not defined in the summary chart have the meaning ascribed to them in the Consulting Agreement.

Store Closing Procedures

banners at (a) non-enclosed mall stores and (b) enclosed mall stores to the extent the entrance to the applicable Closing 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 Sale is being conducted only at the affected Closing Store and shall not be wider than the storefront of the Closing Store. In addition, the Debtors shall be permitted to utilize sign walkers in a safe and professional manner. Nothing contained in the 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.

6. Neither the Debtors nor the Consultant shall make any alterations to the storefront, roof, or exterior walls of any Closing 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 Closing Store.
7. Affected landlords will have the ability to negotiate with the Debtors, or at the Debtors' direction, the Consultant, modifications to the Store Closing Procedures. The Debtors and the landlord of any Closing Store are authorized to enter into Side Letters without further order of the Court, provided that Side Letters do not have a material adverse effect on the Debtors or their estates.
8. To the extent relevant, and as set forth in more detail in the Consulting Agreement, conspicuous signs will be posted in each of the Closing Stores to the effect that all sales are "final."
9. The Debtors will keep Closing Store premises and surrounding areas clear and orderly, consistent with past practices.
10. An unexpired nonresidential real property lease will not be deemed rejected by reason of a Store Closing Sale or the adoption of these Store Closing Procedures.
11. The rights of landlords against the Debtors for any damages to a Closing Store shall be reserved in accordance with the provisions of the applicable lease.
12. If and to the extent that the landlord of any Closing Store contends that the Debtors or the Consultant are in breach of or default under these Store Closing Procedures, such landlord shall provide at least five (5) days' written notice to the Debtors and the Consultant in accordance with the terms of the Store Closing Procedures. 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 (5) days' written notice to the other party, served by email or overnight delivery.

D. Abandonment

21. In effectuating the Store Closing Sales, the Debtors intend to sell all Store Closing Assets, as set forth herein. The Debtors may determine, however, in their business judgment, that certain personal property, Merchandise, and FF&E (the “Burdensome Property”) will be difficult or expensive to remove, ship, or store, such that the economic benefits of removing, selling, shipping, or storing some or all of the Burdensome Property will be exceeded by the attendant costs thereof. To the extent the Burdensome Property exceeds the scope of the property abandoned pursuant to the Store Closing Procedures—such as Burdensome Property held by shippers or other agents of the Debtors—the Debtors request the Court’s approval to abandon any Burdensome Property for the benefit of their estates and creditors.

E. Customer Programs⁷

22. The Store Closing Sales require that the Debtors make certain modifications to their customer programs to reflect their current circumstances. Accordingly, the Debtors intend to implement the following changes, which will be clearly posted for customers to see at cash registers and on the Debtors’ websites for the duration of the Store Closing Sales:

- a. **Returns.** For the first 14 days after the Petition Date, the Debtors shall accept returns of merchandise sold by the Debtors in the ordinary course of business prior to the Petition Date so long as the 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 connection with the Store Closing Sales. Returns of items sold on a “final” basis shall not be accepted
- b. **Gift Certificates.** For the first 14 days after the Petition Date, the Stores will continue to accept the Debtors’ validly-issued gift certificates, in each case only where issued prior to the Petition Date, for in-person purchases only in the ordinary course of business. After the expiration of the 14 days period, the Debtors may no longer accept validly-issued gift certificates. Once the Debtors decide to no longer accept validly-issued gift certificates, such gift certificates will be deemed to have

⁷ In the event that the Debtors locate a buyer for a going concern transaction, however, the Debtors reserve the right to continue their customer programs for a longer period of time.

no remaining value. Notwithstanding any policy or law to the contrary, the gift certificates are not redeemable for cash at any time. The Debtors will post notice of the changes to gift certificates and customer programs on their website and at cash registers in the Closing Stores.⁸

- c. **Latent Defects.** The Debtors shall comply with all state and federal laws relating to implied warranties for latent defects, and such laws are not superseded by the Store Closing Sales or the use of the terms “as is” or “final sale,” as set forth in the Interim and Final Orders.

F. Store Closing Bonus Program

23. Through this Motion, the Debtors also request authority, but not the obligation, to fund and pay Store Closing Bonuses (the “Store Closing Bonus Plan”) upon entry of the Final Order to store-level, non-insider employees, who continue their employment during Store Closing Sales, and who work in the furtherance of the Store Closing Sales.⁹ The Debtors believe that the Store Closing Bonus Plan will motivate employees during Store Closing Sales and will enable the retention those employees necessary to successfully complete Store Closing Sales.

24. Payments under the Store Closing Bonus Plan are made exclusively to non-insiders on the condition of employment through the date on which the respective employee’s Store closes. The Debtors anticipate that approximately 151 non-insider employees will be eligible for Store Closing Bonuses. The total aggregate cost of the Store Closing Bonus Plan will not exceed \$111,500.00, with the final amount dependent on, among other things, whether eligible employees remain employed for the duration of the Closing Sales. The Debtors do not anticipate paying any individual more than \$2,000 on account of a Store Closing Bonus.

⁸ Additionally relief concerning the honoring of gift certificates may be found in the *Debtors Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Honor Certain Prepetition Obligations to Customers and Continue Certain Customer Programs in the Ordinary Course of Business and (II) Granting Related Relief*, filed concurrently with this Motion.

⁹ The Debtors, through this Motion, seek authority to pay those store-level, non-insider employees who remain in the employ of the Debtors and, with respect to those employees of the dealer operated retail locations, enter into agreements with the relevant dealer to fund Store Closing Bonuses for those dealer employees.

25. Providing the Store Closing Bonuses is critical to ensuring that eligible employees, who will eventually be affected by the Store Closing Sales, continue to provide critical services to during the Store Closing process. In order to ensure a successful Store Closing and Sales process and maximize revenues for the benefit of the Debtors' estates, the Debtors believe that the Store Closing Bonuses will incentivize eligible employees to provide uninterrupted leadership during this challenging period by tying payment to maintaining employment with the Debtors through the conclusion of the subject sales.

26. Accordingly, the Debtors respectfully submit that the Store Closing Bonus Plan is in the best interests of their estates and request that the Court authorize payments under the Store Closing Bonus Plan as a sound exercise of their business judgment.

Basis for Relief Requested

I. Business Justification Exists Under Sections 363(b) and 365 of the Bankruptcy Code for the Debtors to Assume and Perform under the Consulting Agreement.

27. Assumption and performance under the Consulting Agreement represents a sound exercise of the Debtors' business judgment and is permissible under section 363 of the Bankruptcy Code. Under section 363(b), a debtor, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). The Fifth Circuit has held that debtors must articulate a "business justification" for using, selling, or leasing property outside of the ordinary course of business. *See, e.g., In re ASARCO, L.L.C.*, 650 F.3d 593, 601 (5th Cir. 2011) (outside of the ordinary course of business, "for the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors, and equity holders, there must be some articulated business justification for using, selling, or leasing the property") (internal quotation marks omitted)). The "business judgment standard is flexible and encourages discretion." *Id.*

28. Section 105 of the Bankruptcy Code provides further support for entry of an order approving the Debtors' entry into the Consulting Agreement. Section 105 empowers the Court "to issue any order, process, or judgment that is necessary and appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Section 105(a) operates "to facilitate the implementation of other Bankruptcy Code provisions," and in so doing it provides a "bankruptcy court with broad authority to exercise its equitable powers." *Ameriquest Mortgage Co. v. Nosek (In re Nosek)*, 544 F.3d 34, 43 (1st Cir. 2008) (internal citations omitted). These equitable powers are granted to effectuate the policies and goals of chapter 11 reorganization, which are to rehabilitate the debtor. *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 176-77 (Bankr. S.D.N.Y. 1989), and to "create a flexible mechanism that will permit the greatest likelihood of survival of the debtor and payment of creditors in full or at least proportionately." *Mich. Bureau of Workers' Disability Comp. v. Chateaugay Corp. (In re Chateaugay Corp.)*, 80 B.R. 279, 287 (S.D.N.Y. 1987).

29. Assumption of and performance under the Consulting Agreement is beneficial to the Debtors' estates, and, thus, is a reasonable exercise of the Debtors' business judgment. In consultation with their advisors, the Debtors determined that the Store Closing Assets should be monetized for the benefit of the Debtors' estates and their creditors. Further, after arm's-length negotiations, the Consulting Agreement contain the most-favorable terms available under the circumstances. The Debtors received two (2) competing proposals to provide the liquidation services contemplated herein. The Debtors and their advisors conducted a thorough analysis of the competing proposals, including the review of liquidator fee ranges in twenty-two (22) other similarly situated retail cases involving five (5) liquidators.¹⁰ Ultimately, the Debtors, in an

¹⁰ The Debtors reviewed the fee ranges of liquidators in twenty-two (22) other retail liquidations from 2019-2023 in comparison with the proposals received. The liquidators in those retail liquidations included the two liquidators which submitted bids to the Company.

exercise of their sound business judgment, determined that the Consultant, and the terms of the Consulting Agreement, offered the lowest and best proposal for the services discussed herein.

30. As noted above, prior to the commencement of these Chapter 11 Cases, the Debtors, with the assistance of the Consultant, commenced the process of initiating the Store Closing Sales at each of the Closing Stores. As a result, in addition to the Consultant's extensive expertise in conducting similar sales in the marketplace, the Consultant's experience with the Debtors' business will allow the Consultant to assist in the management and implementation of the Store Closing Sales in an efficient and cost-effective manner. Assumption of and performance under the Consulting Agreement will enable the Debtors to continue utilizing the Consultant's skills and resources to efficiently conduct the Store Closing Sales for the benefit of all stakeholders. If the Debtors are not authorized to assume and perform under the Consulting Agreement on an interim basis, their estates, creditors, and other stakeholders could be substantially harmed. For example, the Debtors' estates would lose the benefit of the momentum that has already been realized by the pre-petition commencement of the Store Closing Sales' process. Finally, given the Consultant's knowledge of Debtors' business operations and pre-petition preparation for the Store Closing Sales, including valuable knowledge and insights gained during that period, and extensive experience with similar processes, the Debtors believe the Consultant is best suited to conduct the process efficiently and effectively.

II. Conducting the Store Closing Sales Pursuant to the Store Closing Procedures Is Authorized Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code.

31. The Court may authorize the Debtors to consummate the Store Closing Sales pursuant to sections 105(a) and 363(b) of the Bankruptcy Code. As described above, section 105(a) codifies the Court's inherent equitable powers to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." Under section 105(a),

courts may authorize actions that are essential to the continued operation of a debtor's business. The Fifth Circuit has acknowledged that section 105 confers broad powers on bankruptcy courts.

[Section] 105 [is] an omnibus provision phrased in such general terms as to be the basis for a broad exercise of power in the administration of a bankruptcy case. The basic purpose of § 105 is to assure the bankruptcy courts power to take whatever action is appropriate or necessary in aid of the exercise of its jurisdiction.

Davis v. Davis (In re Davis), 170 F.3d 475, 492 (5th Cir. 1999) (internal citation and quotation marks omitted).

32. Section 363(b)(1) of the Bankruptcy Code, as described above, governs asset sales outside of a debtor's ordinary course of business, providing that "the trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). The Debtors need only show a legitimate business justification for the proposed action as "[s]ection 363 impliedly requires the Court to find that it is good business judgment for the Debtor to enter into the transaction." *See, e.g., In re Cont'l Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986) (agreeing with *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983)) (internal quotations omitted). Parties challenging a debtor's business decision must make a showing of "self-dealing, bad faith and gross negligence." *See In re Think3, Inc.*, 529 B.R. 147, 173 (Bankr. W.D. Tex. 2015) (overcoming the presumption of business judgment requires conduct "committed with gross negligence or beyond the 'bounds of reason'"); *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (citations omitted).

33. A major premise of chapter 11 is the continued and uninterrupted operation of the debtor in possession to the greatest extent possible and the maximization of the value of the estate. For this reason, store closing sales are a routine occurrence in chapter 11 cases involving retail debtors. *See In re Ames Dept. Stores*, 136 B.R. 357, 359 (S.D.N.Y. 1992) (noting that liquidation

sales are an important part of “overriding federal policy requiring [a] Debtor to maximize estate assets”). Thus, approval of the Store Closing Sales and the Store Closing Procedures is consistent with the Court’s power to carry out the provisions of the Bankruptcy Code. *Id.*; *see also In re Southmark Corp.*, 113 B.R. 280, 281 (Bankr. N.D. Tex. 1990) (“[T]he court may use [section] 105(a) to fashion orders that are necessary or appropriate to further a substantive provision of the Code.”).

34. Sufficient business justification exists to approve the Store Closing Sales and the Store Closing Procedures. Prior to the Petition Date, the Debtors and their advisors executed an extensive store-by-store analysis of the Debtors’ existing store portfolio. The Debtors determined, in their business judgment and with the assistance of their advisors, that it is in the best interests of the Debtors’ estates, creditors, and other stakeholders to close several of their brick-and-mortar store locations that were underperforming.

35. As set forth in the First Day Declaration, in light of the circumstances leading up to these Chapter 11 Cases, the Debtors have determined that the Store Closing Sales represent the best method to maximize recoveries to the Debtors’ estates with respect to the Store Closing Assets, while balancing the potentially competing concerns of landlords and other parties in interest. There are meaningful amounts of Merchandise and FF&E, in the aggregate, that will be monetized most efficiently and quickly through an orderly, uniform process conducted in consultation with an experienced store closing sale consultant.

36. Further, approval of the Store Closing Sales and the Store Closing Procedures would avoid immediate and irreparable harm to the Debtors’ estates. Any interruption in the conduct of the Store Closing Sales would diminish the recovery tied to monetization of the Store Closing Assets for several important reasons. *First*, the Debtors will realize an immediate benefit

in terms of financial liquidity upon the sale of the Store Closing Assets and the termination of operations at the Closing Stores. *Second*, uninterrupted and orderly Store Closing Sales will allow the Debtors to timely reject leases associated with the Closing Stores and, therefore, avoid the accrual of unnecessary administrative expenses for rent and related costs. *Third*, any delay of the Store Closing Sales may cause the Debtors to incur substantial additional post-petition rent and other occupancy costs with no corresponding net benefit to their estates.

37. Courts have recently approved store closing procedures in chapter 11 cases on an interim basis, and numerous courts have granted retail debtors interim authority to implement such procedures at the outset of the chapter 11 process. *See, e.g., In re Number Holdings, Inc., et al.*, No. 24-10719 (Bankr. D. Del. Apr. 12, 2024) (authorizing procedures for store closing as part of first day relief); *In re Soft Surroundings Holdings, LLC, et al.*, No. 23-90769 (Bankr. S.D. Tex. Oct. 2, 2023) (same); *In re Stage Stores, Inc., et al.*, No. 20-32564 (Bankr. S.D. Tex. May 13, 2020) (same); *In re Bed Bath & Beyond Inc.*, No. 23-13359 (Bankr. D.N.J. April 25, 2023) (same); *In re David's Bridal, LLC*, No. 23-13131 (Bankr. D.N.J. April 17, 2023) (same); *In re Christopher & Banks Corporation, et al.*, No. 21-10269 (Bankr. D.N.J. Feb. 8, 2021) (same); *In re RTW Retailwinds, Inc., et al.*, No. 20-18445 (Bankr. D.N.J. Jul. 15, 2020) (same); *In re SLT Holdco, Inc., et al.*, No. 20-18368 (Bankr. D.N.J. Jul. 13, 2020) (same); *In re Modell's Sporting Goods, Inc., et al.*, No. 20-14179 (Bankr. D.N.J. Mar. 13, 2020). The Store Closing Procedures are substantially similar to the store closing procedures approved in the foregoing cases.

III. The Sale of Store Closing Assets Free and Clear of all Liens, Encumbrances, and Other Interests Is Warranted under Section 363(f) of the Bankruptcy Code.

38. The Debtors request approval to sell the Store Closing Assets on a final “as is” basis, free and clear of any and all liens, claims, and encumbrances in accordance with section 363(f) of the Bankruptcy Code. A debtor in possession may sell property under sections 363(b)

and 363(f) “free and clear of any interest in such property of an entity other than the estate” if any one of the following conditions is satisfied: (a) applicable non-bankruptcy law permits the sale of such property free and clear of such interest; (b) such entity consents; (c) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property; (d) such interest is in *bona fide* dispute; or (e) such entity could be compelled, in a legal or equitable proceeding, to a money satisfaction of such interest. *See* 11 U.S.C. § 363(f); *see also Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988) (noting that since section 363(f) of the Bankruptcy Code is written in the disjunctive, the court may approve a sale free and clear if any one subsection is met).

39. With respect to any party asserting a lien, claim, or encumbrance against the Store Closing Assets, the Debtors anticipate that they will be able to satisfy one or more of the conditions set forth in section 363(f). The Debtors anticipate that, to the extent there are other liens on the Store Closing Assets, all holders of such liens will consent to the sales because they provide the most effective, efficient, and time-sensitive approach to realizing proceeds for, among other things, the repayment of amounts due to such parties.

40. Moreover, any identified lienholders will receive notice and will be given sufficient opportunity to object to the relief requested herein. Any such entity that does not object to the sale should be deemed to have consented. *See Futuresource LLC v. Reuters Ltd.*, 312 F.3d 281, 285-86 (7th Cir. 2002) (“It is true that the Bankruptcy Code limits the conditions under which an interest can be extinguished by a bankruptcy sale, but one of those conditions is the consent of the interest holder, and lack of objection (provided of course there is notice) counts as consent. It could not be otherwise; transaction costs would be prohibitive if everyone who might have an interest in the bankrupt’s assets had to execute a formal consent before they could be sold.”)

(internal citations omitted)); *Matter of Tabone, Inc.*, 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (finding failure to object to sale free and clear of liens, claims, and encumbrances satisfies section 363(f)(2)); *In re Elliot*, 94 B.R. at 345 (same); *see also In re Enron Corp.*, No. 01-16034, 2003 WL 21755006, at *2 (Bankr. S.D.N.Y. Jul. 28, 2003) (order deeming all parties who did not object to proposed sale to have consented under section 363(f)(2)).

41. Accordingly, the Debtors submit that the sale of the Store Closing Assets in the manner described herein satisfies the statutory requirements of section 363(f) of the Bankruptcy Code and should, therefore, be free and clear of any liens, claims, encumbrances, and other interests.

IV. Sales of Store Closing Assets Should Be Entitled to the Protections of Section 363(m) of the Bankruptcy Code.

42. Because the customers in respect of the Store Closing Sales act in good faith, they are entitled to the benefits and protections provided by section 363(m) of the Bankruptcy Code in connection with the sales of Store Closing Assets. Section 363(m) of the Bankruptcy Code provides, in pertinent part:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m). Section 363(m) of the Bankruptcy Code protects a purchaser of assets sold pursuant to section 363 of the Bankruptcy Code from the risk that it will lose its interest in the purchased assets if the order allowing the sale is reversed on appeal. Purchasers are provided this protection so long as they leased or purchased the assets in “good faith.” *Id.* Although the

Bankruptcy Code does not define “good faith purchaser,” one circuit court has stated that a good faith purchaser is “one who purchases in ‘good faith’ and for ‘value.’” *In re Gucci*, 126 F.3d 380, 390 (2d Cir. 1997) (internal citations omitted); *In re Abbotts Dairies*, 788 F.2d 143, 147 (3d Cir. 1986); see 3 Collier on Bankruptcy ¶ 363.11 (Richard Levin & Henry J. Sommer eds., 16th ed.). Courts generally conclude that a purchaser has acted in good faith as long as the consideration is adequate and reasonable and the terms of the transaction are fully disclosed. *In re Abbotts Dairies*, 788 F.2d at 149-50. To constitute a lack of good faith, a party’s conduct in connection with the sale usually must amount to “fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.” *In re Vetter Corp.*, 724 F.2d 52, 56 (7th Cir. 1983) (emphasis omitted) (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978) (interpreting Bankruptcy Rule 805, the precursor to section 363(m)); see 3 Collier on Bankruptcy ¶ 363.11 (Richard Levin & Henry J. Sommer eds., 16th ed.).

43. Here, the customers of the Store Closing Sales are unaffiliated third parties acting for bona fide personal purposes. Each sale of a Store Closing Asset will be mutually beneficial to both parties and the terms thereof will be fully disclosed to each customer. A fair and transparent process ensures the sales are at arm’s length, without collusion or fraud, and entered into in good faith. Accordingly, the Debtors request that the Court determine that the customers act at all times in good faith and, as a result, are entitled to the full protections of good faith purchasers under section 363(m) of the Bankruptcy Code.

V. Waiver of Compliance with Applicable State Laws and Approval of the Dispute Resolution Procedures Are Warranted

44. As a necessary part of the Store Closings and Store Closing Procedures, the Debtors request the authority to conduct the sales in accordance with the Store Closing Procedures and without complying with Applicable Sale Laws. Although the Debtors intend to comply with state

and local health and safety laws and consumer protection laws in conducting the sales, many Applicable Sale Laws require special and cumbersome licenses, waiting periods, time limits, and other procedures for store closing, liquidation, or similar sales. Additionally, compliance with Fast Pay Laws would require the Debtors to pay terminated employees within a time frame that would be detrimental to the conduct of these Chapter 11 Cases, if not impossible.

45. To eliminate the time, delay, and expense associated with the administrative procedures necessary to comply with the Applicable Sale Laws, the Debtors propose the Store Closing Procedures as a way to streamline the administrative burdens on their estates while still adequately protecting the broad and varied interests of both landlords and applicable governmental agencies charged with enforcing any Applicable Sale Laws that may apply to the Store Closings. As such, the Debtors believe the Store Closing Procedures mitigate any concerns that their landlords or governmental agencies may raise with respect to the Store Closings, and therefore, the below requested relief seeking the waiver of certain state and local laws and lease provisions is appropriate. Further, creditors and the public interest are adequately protected by notice of this Motion and the ongoing jurisdiction and supervision of this Court because the Debtors are only seeking interim relief, and parties in interest will be able to raise any further issues at the final hearing.

46. There is strong support for granting the Debtors authority to not comply with the Applicable Sale Laws. *First*, it is generally accepted that many state statutes and regulations, including in states where the Debtors have locations, provide that, if a liquidation or bankruptcy sale is court-authorized, a company need not comply with the Applicable Sale Laws. *See, e.g.*, Fla. Stat. Ann. 559.25(2) (same); Ga. Code Ann. § 10-1-393(b)(24)(C)(iv) (same); 815 ILCS 350/3 (exempting from the provisions of the chapter sales pursuant to any court order); La. Rev. Stat.

Ann. § 51:43(1) (same); Tex. Bus. & Com. Code Ann. § 17.91(3) (exempting from subchapter sales conducted pursuant to court order). *Second*, pursuant to section 105(a) of the Bankruptcy Code, the Court has the authority to permit the Store Closing Sales to proceed notwithstanding contrary Applicable State Laws as it is essential to the continued operation of the Debtors' business. *Third*, this Court will be able to supervise the Store Closing Sales because the Debtors and their assets are subject to this Court's exclusive jurisdiction. *See* 28 U.S.C. § 1334. Moreover, 28 U.S.C. § 959, which requires debtors to comply with state and other laws in performance of their duties, does not apply to the Store Closing Sales. *See, e.g., In re Borne Chemical Co.*, 54 B.R. 126, 135 (Bankr. D.N.J. 1984) (holding that 28 U.S.C. § 959(b) is only applicable when property is being managed or operated for the purpose of continuing operations). As such, creditors and the public interest are adequately protected by notice of this motion and the ongoing jurisdiction and supervision of the Court.

47. Further, bankruptcy courts have consistently recognized, with limited exception, that federal bankruptcy law preempts state and local laws that contravene the underlying policies of the Bankruptcy Code. *See In re Shenango Group, Inc.*, 186 B.R. 623, 628 (Bankr. W.D. Pa. 1995) ("Trustees and debtors-in-possession have unique fiduciary and legal obligations pursuant to the bankruptcy code [A] state statute . . . cannot place burdens on [a debtor] where the result would contradict the priorities established by the federal bankruptcy code."), *aff'd*, 112 F.3d 633 (3d Cir. 1997). Courts in some jurisdictions have found that preemption of state law is not appropriate if the laws deal with public health and safety. *See In re Baker & Drake, Inc.*, 35 F.3d 1348, 1353–54 (9th Cir. 1994) (holding that Bankruptcy Code did not preempt state law prohibiting taxicab leasing that was promulgated in part as public safety measure). However, preemption is appropriate where, as is the case here, the only state laws involved concern economic

regulation rather than the protection of public health and safety. See *In re Baker & Drake, Inc.*, 35 F.3d at 1353 (finding that “federal bankruptcy preemption is more likely . . . where a state statute is concerned with economic regulation rather than with protecting the public health and safety”); *In re Quanta Res. Corp.*, 739 F.2d 912, 920 (3d Cir. 1984), *aff’d sub nom. Midlantic Nat. Bank v. New Jersey Dep’t of Env’tl. Prot.*, 474 U.S. 494, 106 S. Ct. 755, 88 L. Ed. 2d 859 (1986) (finding federal bankruptcy preemption applies to “state law regulating the distribution of assets” but not to “police power regulations”).

48. Under the circumstances of these Chapter 11 Cases, enforcing the strict requirements of the Applicable Sale Laws would undermine the fundamental purpose of section 363(b) of the Bankruptcy Code by placing constraints on the Debtors’ ability to maximize estate assets for the benefit of creditors. Accordingly, authorizing the Store Closing Sales without the delays and burdens associated with obtaining various state and local licenses, observing state and local waiting periods or time limits, and/or satisfying any additional requirements with respect to advertising and similar items is necessary and appropriate. The requested waiver is narrowly tailored to facilitate the successful consummation of Store Closing Sales. The Debtors do not seek a general waiver of all state and local requirements, but only those that apply specifically to retail liquidation sales. With the exception of the limited waivers and accommodations requested herein, the Debtors will comply with applicable state and local public health and safety laws, and applicable tax, labor, employment, environmental, and consumer protection laws, including consumer laws regulating deceptive practices and false advertising. Finally, the Dispute Resolution Procedures provide an ordered means for resolving any disputes arising between the Debtors and/or the Consultant and any Governmental Units with respect to the applicability of any Applicable Sale Laws and should therefore be approved.

VI. Waiver of Compliance with Any Restriction in the Leases Is Warranted.

49. Certain of the Debtors' leases governing the premises of the Closing Stores may contain provisions purporting to restrict or prohibit the Debtors from conducting store closing, liquidation, or similar sales. Such provisions have been held to be unenforceable in chapter 11 cases as they constitute an impermissible restraint on a debtor's ability to properly administer its reorganization case and maximize the value of its assets under section 363 of the Bankruptcy Code. *In re R. H. Macy and Co., Inc.*, 170 B.R. 69, 73–74 (Bankr. S.D.N.Y. 1994) (holding that the lessor could not recover damages for breach of a covenant to remain open throughout the lease term because the debtor had a duty to maximize the value to the estate and the debtor fulfilled this obligation by holding a store closing sale and closing the store); *In re Tobago Bay Trading Co.*, 112 B.R. 463, 467–68 (Bankr. N.D. Ga., 1990) (finding that a debtor's efforts to reorganize would be significantly impaired to the detriment of creditors if lease provisions prohibiting a debtor from liquidating its inventory were enforced); *In re Lisbon Shops, Inc.*, 24 B.R. 693, 695 (Bankr. E.D. Mo. 1982) (allowing a retail company's liquidation sale despite a restrictive covenant to the contrary where the sale did not conflict the purpose of the covenant).

50. Store closing sales are a routine part of chapter 11 cases involving retail debtors. To the extent that such provisions or restrictions exist in any of the leases for the Closing Stores, the Debtors request that the Court authorize the Debtors and/or the Consultant to conduct any sales without reference to any such restrictive provisions or interference by any landlords or other persons affected, directly or indirectly, by the Store Closing Sales.

VII. Abandonment of the Burdensome Property is Authorized by Section 554(a) of the Bankruptcy Code.

51. After notice and a hearing, a debtor "may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate." 11 U.S.C.

§ 554(a); *see also Hanover Ins. Co. v. Tyco Indus., Inc.*, 500 F.2d 654, 657 (3d Cir. 1974) (stating that a trustee “may abandon his claim to any asset, including a cause of action, he deems less valuable than the cost of asserting that claim or administering the property”). The Debtors are seeking to sell all FF&E remaining in the Closing Stores. However, the Debtors may determine that the costs associated with holding or selling certain property or FF&E exceeds the proceeds that will be realized upon its sale, or that such property is not sellable at all. In such event, the property is of inconsequential value and benefit to the estates and may be burdensome to retain.

52. To maximize the value of the Debtors’ assets and to minimize the costs to the estates, the Debtors respectfully request authority to abandon any of their remaining FF&E or other property located at any of the Closing Stores without incurring liability to any person or entity. The Debtors further request that the landlord of each Closing Store with any abandoned FF&E or other property be authorized to dispose of such property without liability to any third parties.

53. Notwithstanding the foregoing, the Debtors and/or the Consultant will utilize commercially reasonable efforts to remove or cause to be removed any confidential or personal identifying information (referring to information which alone or in conjunction with other information identifies an individual, including, but not limited to, an individual’s name, social security number, date of birth, government-issued identification number, account number, and credit or debit card number) of any customers or employees in any of the Debtors’ hardware, software, computers, or cash registers or similar equipment that are to be sold or abandoned.

VIII. The Proposed Modifications to the Debtors’ Customer Programs are Appropriate.

54. The Debtors have contemporaneously filed the *Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Honor Certain Prepetition Obligations to Customers and Continue Certain Customer Programs in the Ordinary Course of Business and (II) Granting Related Relief* (the “Customer Programs Motion”). Notwithstanding the fact that the

Debtors are pursuing a marketing and sale process, they believe, it is prudent to modify certain of their customer programs. The Debtors must, in fact, be able to modify their customer programs during the course of the Store Closing Sales. Thus, the Debtors believe it is appropriate to give all parties with validly issued gift certificates the opportunity to utilize their gift certificates for the first 14 days following the Petition Date, thus providing customers with a relatively significant period of time to spend any remaining balances prior to the termination of the gift certificate program. Accordingly, the Debtors propose that providing notice of the policy at all cash registers will provide adequate notice of the deadline. Unless the Debtors have entered into an agreement for a sale of their assets, after the 14-day deadline has passed, the gift certificates will no longer have any value. The Debtors will post notice of the changes to gift certificates program on their website and at cash registers in the Stores.

55. Courts authorizing store closing sales often set deadlines for the use of gift certificates and similar programs. *See, e.g., In re Bed Bath & Beyond Inc.*, No. 23-13359 (Bankr. D.N.J. April 25, 2023) (authorizing the debtors to accept gift cards for up to 14 days after the petition date); *In re David's Bridal, LLC*, No. 23-13131 (Bankr. D.N.J. April 17, 2023) (authorizing the debtors to accept gift cards for up to 30 days after the petition date); *In re Stage Stores, Inc., et al.*, No. 20-32564 (Bankr. S.D. Tex. May 13, 2020) (authorizing the debtors to accept gift cards for up to 30 days after stores reopened following COVID-19); *In re Modell's Sporting Goods Inc., et al.*, No. 20-14179 (VFP) (Bankr. D.N.J. Mar. 13, 2020) (authorizing the debtors to accept gift cards for up to 90 days after entry of the store closing sale order); *In re Skin Sense, Inc.*, 2017 WL 474317, at *4 (Bankr. E.D.N.C. Feb. 3, 2017) (“In cases involving liquidating retailers, courts have implemented various approaches to allow consumers to redeem

gift cards and to avoid the claims process, such as setting deadlines by which a gift card must be redeemed or establishing express conditions for redemption.”) (citations omitted).

56. Further, given the unknown identities of the gift certificate holders, only constructive notice of the deadline to use the gift certificates is required. *See In re BGI, Inc.*, 476 B.R. 812, 821–23 (Bankr. S.D.N.Y. 2012) (finding that gift card holders were only entitled to constructive notice of the claims bar date and stating “gift cards, as their name illustrates, are not intended to be used by the purchaser but are instead intended as gifts, so even if the Debtors were able to identify the purchasers of the gift cards, they would have no way of tracing the ultimate recipients.”).

57. Courts have also authorized restrictions on or the elimination of returns, exchanges, or refunds of good purchased post-petition. *See, e.g., In re Bed Bath & Beyond Inc.*, No. 23-13359 (Bankr. D.N.J. April 25, 2023) (authorizing the debtors to accept returns for up to 30 days after purchase but prohibiting returns of merchandise sold in store closing sales); *In re David’s Bridal, LLC*, No. 23-13131 (Bankr. D.N.J. April 17, 2023) (same); *In re Stage Stores, Inc., et al.*, No. 20-32564 (Bankr. S.D. Tex. May 13, 2020) (authorizing the debtors to accept returns for up to 30 days after stores reopened following COVID-19); *In re Christopher & Banks Corporation, et al.*, No. 21-10269 (Bankr. D.N.J. Feb. 8, 2021) (approving assumption, on a final basis, of consulting agreement that provided all sales were “as is” and final, with no returns, unless otherwise directed by the Debtor); *In re SLT Holdco, Inc., et al.*, No. 20-18368 (Bankr. D.N.J. July 13, 2020) (“All sales of Merchandise and FF&E sold on or after the Petition Date shall be “as is” and shall be on a final basis with no Merchandise subject to return, exchange, or refund.”); *In re Independent Pet Partners Holdings, LLC, et al.*, No. 23-10153 (Bankr. D. Del. Feb. 8, 2023) (same); *In re Francesca’s Holding Corporation, et al.*, No. 20-13076 (BLS) (Bankr. D. Del. Dec. 16, 2020)

(same); *In re Century 21 Department Store, LLC, et al.*, No. 20-12097 (SCC) (Bankr. S.D.N.Y. Sept. 15, 2020) (same).

IX. The Store Closing Bonus Plan Satisfies the Applicable Standards.

58. Courts generally require a debtor to demonstrate that a valid business purpose exists for the use of estate property in a manner that is outside the ordinary course of business. *See, e.g., In re Lionel Corp.*, 722 F.2d 1063, 1070–71 (2d Cir. 1983). The debtor’s articulation of a valid business justification raises a presumption that the debtor’s decision was made on an informed basis, in good faith, and with the honest belief that the action is in the best interest of the company. *See In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992). Furthermore, once “the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). The business judgment rule shields a debtor’s management from judicial second-guessing. *See In re Integrated Res., Inc.*, 147 B.R. at 656; *Johns-Manville*, 60 B.R. at 615–16 (noting that “the Code favors the continued operation of a business by a debtor and a presumption of reasonableness attaches to a debtor’s management decisions”). Thus, if a debtor’s actions satisfy the business judgment rule, then the actions in question should be approved under section 363(b)(1) of the Bankruptcy Code.

59. The Debtors respectfully submit that the Store Closing Bonus Plan is a sound exercise of their business judgment and should be approved pursuant to section 363 of the Bankruptcy Code, as it is in the best interests of the Debtors, their estates, and all parties in interest in these Chapter 11 Cases. The eligible noninsider employees—along with their skills, knowledge, and hard work—are more critical now than ever. Through their commitment and performance, which is incentivized through the Store Closing Bonus Plan, the eligible employees can ensure

that the Debtors maximize stakeholder value in a challenging economic environment and at a time when those employees' positions will likely soon be terminated.

60. The Store Closing Bonus Plan amply satisfies the relevant standard. Given the uncertain and demanding circumstances in these Chapter 11 Cases, it is absolutely critical that the Debtors motivate the eligible employees to implement the Store Closing Sale process on the contemplated timeline. Without the tireless efforts of the employees to execute the Store Closing Sales, the Debtors will likely fail to realize significant value that would otherwise be distributable to their stakeholders.

Emergency Consideration

61. The Debtors respectfully request emergency consideration of this Motion pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." The failure to receive the requested relief during the first 21 days of these Chapter 11 Cases would severely disrupt the Debtors' operations and significantly impact the Debtors' ability to swiftly and efficiently move forward with a value-maximizing transaction. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully requests that the Court approve the relief requested in this Motion on an emergency basis.

Request for Bankruptcy Rule 6004 Waivers

62. The Debtors request a waiver of any applicable notice requirements under Bankruptcy Rule 6004(a) and any stay of the order granting the relief requested herein pursuant to Bankruptcy Rule 6004(h). As explained above and in the First Day Declaration, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors' ongoing

operations and value-maximization process. Accordingly, ample cause exists to justify the waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

Reservation of Rights

63. Nothing contained herein or any action taken pursuant to relief requested is intended to be or shall be construed as (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim or interest under applicable law or nonbankruptcy law; (c) a promise or requirement to pay any claim; (d) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law; (e) a request for or granting of approval for assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code; or (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' or any party in interest's rights to subsequently dispute such claim.

Notice

64. Notice of this Motion has been provided by email, facsimile, or overnight courier to: (a) the Office of the United States Trustee; (b) the holders of the thirty (30) largest unsecured claims against the Debtors; (c) JP Morgan Chase Bank, N.A. and counsel thereto; (d) BRF Finance Co., LLC and counsel thereto; (e) Stephens Investments Holdings LLC and counsel thereto; (f) the United States Attorney's Office for the Southern District of Texas; (g) the Internal Revenue Service; (h) the Consultant and its counsel; (i) the landlords to the Debtors' retail stores; and (j) any

party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

65. No prior request for the relief sought in this Motion has been made by the Debtors to this or any other court.

[Remainder of page intentionally left blank.]

WHEREFORE, the Debtors respectfully request entry of an interim order, substantially in the form attached hereto as Exhibit A granting the relief requested herein and granting such other relief as is just and proper.

Dated: July 23, 2024
Houston, Texas

/s/ Jeri Leigh Miller

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*Proposed Counsel to the Debtors and Debtors
in Possession*

Certificate of Accuracy

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Bankruptcy Local Rule 9013-1(i).

/s/ Jeri Leigh Miller

Jeri Leigh Miller

Certificate of Service

I certify that on July 23, 2024, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Jeri Leigh Miller

Jeri Leigh Miller

Exhibit A

Proposed Interim Order

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

In re:

CONN'S, INC., *et al.*¹

Debtors.

Chapter 11

Case No. 24-33357 (ARP)

(Joint Administration Requested)
(Emergency Hearing Requested)

**INTERIM ORDER (I) APPROVING
AND AUTHORIZING THE DEBTORS TO
ASSUME AND PERFORM UNDER THE STORE CLOSING
CONSULTING AGREEMENT, (II) APPROVING PROCEDURES FOR STORE
CLOSING SALES, (III) APPROVING MODIFICATIONS TO CERTAIN CUSTOMER
PROGRAMS, (IV) AUTHORIZING CUSTOMER BONUSES FOR NON-INSIDER
EMPLOYEES OF CLOSING STORES, AND (V) GRANTING RELATED RELIEF**

(Related to Docket No. ___)

Upon the motion (“Motion”)² of Conn’s, Inc., and its debtor affiliates, as debtors and debtors in possession (collectively, the “Debtors”), for entry of an order (a) authorizing the Debtors to assume and perform under the Consulting Agreement, attached hereto as **Exhibit 1**; (b) authorizing the Debtors to conduct closings or similarly themed sales (the “Store Closing Sales”) at the Debtors’ retail locations (the “Closing Stores”) 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”); (c) approving modifications to certain customer programs, including the return policy and acceptance of gift

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are: Conn’s, Inc. (2840), Conn Appliances, Inc. (0706), CAI Holding, LLC (2675), Conn Lending, LLC (9857), Conn Credit I, LP (0545), Conn Credit Corporation, Inc. (9273), CAI Credit Insurance Agency, Inc. (5846), New RTO, LLC (6400), W.S. Badcock LLC (2010), W.S. Badcock Credit LLC (5990), and W.S. Badcock Credit I LLC (6422). The Debtor’s service address is 2445 Technology Forest Blvd., Suite 800, The Woodlands, TX 77381.

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

certificates, resulting from the Store Closing Sales; (d) authorizing the sale or disposition of the Store Closing Assets free and clear of Encumbrances; (e) authorizing the abandonment of certain burdensome Merchandise, FF&E, and personal property; and (f) granting related relief, each as more fully set forth in the Motion; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and the Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of this proceeding and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and appropriate notice of and opportunity for a hearing on the Motion having been given; and the relief requested in the Motion being in the best interests of the Debtors' estates, their creditors and other parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, the Court finds as follows:

- A.** The findings and conclusions set forth in this Order 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.
- B.** The Debtors have sound business reasons for seeking to continue their conduct of the Store Closing Sales, assume and perform under the Consulting Agreement, and adopt the Store Closing Procedures on an interim basis subject to the Final Hearing (defined below), as set forth in the Motion and at the Hearing, and assumption of

the Consulting Agreement is a reasonable exercise of the Debtors' business judgment and in the best interests of the Debtors and their estates.

- C. The continued 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.
- D. The Consulting Agreement was negotiated, proposed, and entered into by the Consultant and the Debtors without collusion, in good faith, and from arm's-length bargaining positions.
- E. The Debtors' assumption of the Consulting Agreement is a sound exercise of the Debtors' business judgment.
- F. The sale of the Closing Stores Assets through the continued conduct of the Store Closing Sales in the Closing Stores is in the best interest of the Debtors' estates.
- G. 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.
- H. 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.
- I. 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:

1. The relief requested in this Motion is GRANTED on an interim basis as set forth herein.
2. The final hearing on the Motion shall be held on _____, 2024 at _____ (prevailing Eastern Time) (the "Final Hearing"). Any objections or responses to entry of the proposed final order shall be filed on or before 4:00 p.m. (prevailing Eastern Time) on _____, 2024. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter a final order without need for the Final Hearing.
3. The Debtors' implementation and effectuation of the Store Closing Sales is approved as set forth herein, pursuant to section 105(a) and 363(b) of the Bankruptcy Code.

4. 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 Store Closing Sales.

5. The Debtors are authorized to fund and make payments under the Store Closing Bonus Plan; provided, however, that such authority shall not extend to any Insider without further order of this Court.

6. 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.

7. Notwithstanding anything to the contrary contained in the Motion or this Order, any payment to be made, obligation incurred, or relief or authorization granted hereunder shall not be inconsistent with, and shall be subject to and in compliance with, the requirements imposed on the Debtors under the terms of each interim and final order entered by the Court in respect of the DIP Motion filed substantially contemporaneously with the Motion (the “DIP Orders”), including compliance with any approved budget or cash flow forecast in connection therewith (and any permitted variances thereto) and any other terms and conditions thereof. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the DIP Orders or any approved budget set forth therein.

8. 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.

9. 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.

10. 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.

11. 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 to the Consultant of its Fees, reimbursements of costs and expenses, and, subject to the provisions contained herein, payments of indemnification amounts (if any), in each case, as required by the Consulting Agreement without the need for any application of the Consultant or a further order of the Court and (b) allowing the sale of Additional Goods.

12. Consultant's fees and expenses shall be paid from the gross proceeds of the Store Closing Sales but shall be subject to the terms of the Consulting Agreement itself, including as to any expense budget attached thereto.

13. Consultant is hereby granted a first-priority security interest and lien upon (i) the Additional Goods and (ii) Consultant's portion of the Additional 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 Goods (and any proceeds thereof) as consigned goods thereunder and the Debtors as the consignee therefor, and Consultant's security interest in such Additional Goods and Consultant's portion of the Additional Goods proceeds). Notwithstanding anything in Paragraph

7 to the contrary, as part of each weekly reconciliation, the Debtors shall turn over all proceeds from the sale of Additional Goods to the Consultant, net of any fee payable to the Debtors pursuant to the Consulting Agreement. For the avoidance of doubt, the turn over of the Additional Goods proceeds shall not be considered disbursements for purposes of calculating quarterly fees payable by the Debtors pursuant to 28 U.S.C. § 1930(a)(6).

14. 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 Closing Sales; 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 Closing Sales prior to the date of this Interim Order, hereby are approved and ratified.

15. The Debtors shall indemnify the Consultant under the terms of the Consulting Agreement, as modified and limited by this Order. Notwithstanding the foregoing, the Consultant is not indemnified for, and may not receive any contribution or reimbursement with respect to any matter that arises from the Consultant's gross negligence, willful misconduct, fraud, bad faith, self-dealing, or breach of fiduciary duty.

16. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these chapter 11 cases (that order having become a final order no longer subject to appeal), or (ii) the entry of an order closing these chapter 11 cases, the Consultant believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution, and/or reimbursement obligations under the Consulting Agreement (as modified by this Order), including the advancement of defense costs, the Consultant must file an application

therefor in this Court, and the Debtors may not pay any such amounts to the Consultant before the entry of an order by this Court approving the payment. All parties in interest shall retain the right to object to any demand by the Consultant for indemnification, contribution, or reimbursement.

II. Authority to Engage in Store Closing Sales.

17. 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 continue and immediately conduct the Store Closing Sales at the Stores in accordance with this Interim Order, the Store Closing Procedures and the Consulting Agreement.

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

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

20. All persons and 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, if applicable, 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.

21. 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.

22. All newspapers and other advertising media in which the Store Closing Sales may be advertised and all landlords are directed to accept this Interim Order as binding authority so as to authorize the Debtors or the Consultant to conduct the Store Closing Sales and the sale of Merchandise, FF&E and Additional Goods pursuant to the Store Closing Procedures and, if applicable, Consulting Agreement, including, without limitation, to conduct and advertise the sale of the Merchandise, FF&E, and Additional Goods in the manner contemplated by and in accordance with this Interim Order, the Store Closing Procedures, and, if applicable, the Consulting Agreement.

23. Subject to (i) the Dispute Resolution Procedures (as defined below) provided for in this Interim Order and (ii) any Side Letter, 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 Closing Sales 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,” “going out of business,” “sale on everything,” “everything must go,” or other mutually agreed upon themed sales through the posting of signs (including the use of exterior banners at non-enclosed mall Stores, and at enclosed mall Stores to the extent the applicable closing location entrance does not require entry into the enclosed mall common area), use of sign-walkers, A-Frames and street signage.

24. Notwithstanding anything herein to the contrary, and in view of the importance of the use of sign-walkers, A-Frames, banners, and other advertising to the sale of the Merchandise, FF&E and Additional Goods, 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, A-Frames, 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 five business days of such request. This scheduling shall not be deemed to preclude additional hearings for the presentation of evidence or arguments as necessary.

25. 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.

26. Except as expressly provided in the Consulting Agreement, the sale of the Merchandise, FF&E and Additional Goods shall be conducted by the Debtors 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 (which is hereby authorized pursuant to section 554 of the Bankruptcy Code), or “going dark” provisions. The Debtors and/or the Consultant, on the one hand, and dealers and landlords of the Stores, on the other hand, 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 and/or the Consultant, on the one hand, and dealers and any such landlords, on the other hand. Upon request (which may be by email), copies of any Side Letters will be provided to (i) the U.S. Trustee; (ii) JP Morgan Chase Bank, N.A. and counsel thereto; (iii) BRF Finance Co., LLC and counsel thereto; (iv) Stephens Investments Holdings LLC and counsel thereto; and/or (v) any statutory committee of unsecured creditors at

such point as to provide the reasonable opportunity to object; provided that such party is subject to or agrees to become bound by reasonable confidentiality obligations to the extent requested.

27. 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 and A-Frames) 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 Closing Sales 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, dealers, 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 Closing Sales or other liquidation sales at the Stores 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.

28. All sales of Store Closing Assets shall be “as is” and final. However, as to the Closing 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.”

29. 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.

30. 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.

31. 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).

32. Neither the Store Closing Procedures, Consulting Agreement, nor this Interim Order authorize the transfer or sale of 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 cause the removal of the PII from such items of FF&E before such sale or abandonment.

33. The Debtors and/or the Consultant (as the case may be) are authorized and empowered to transfer Store Closing Assets among the Closing 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 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 leased premises lies.

34. 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 and/or its affiliates are 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 and provided further that the rights of the U.S. Trustee and all other parties in interest to object to any guarantee, transaction or acquisition are fully preserved.

IV. Dispute Resolution Procedures with Governmental Units.

35. 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 Closing Sales 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 31 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.

36. 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 “store closings,” “going out of business” sales, 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 and A-Frames 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 Closing Sales 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 are authorized to conduct the Store Closing Sales 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 Closing Sales are being held; (iii) the county consumer protection agency or similar agency for each county where the Store Closing Sales will be held; (iv) the division of consumer protection for each state where the Store Closing Sales 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 Closing Sales, 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 (10) 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 (15) 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 Closing Sales 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 Closing Sales 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*.

37. Except as expressly provided for herein or in the Store Closing Procedures, and except with respect to any Governmental Unit (as to which paragraphs 31 and 32 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 Closing Sales, or the advertising and promotion (including the posting of signs or the use of sign walkers) of the Store Closing Sales, 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 Closing Sales 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 Closing Sales 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.

38. Any restrictions in any lease agreement, restrictive covenant, or similar documents purporting to limit, condition, or impair the Debtors' ability to conduct the Store Closing Sales 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

Closing Sales are conducted in accordance with the terms of this Interim Order and the Store Closing Procedures.

39. Subject to Paragraphs 31 and 32 above, each and every federal, state, or local agency, departmental or governmental unit with regulatory authority over the Store Closing Sales and all newspapers and other advertising media in which the Store Closing Sales 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 Closing Sales.

40. 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 any applicable laws that exempt court-ordered sales from their provisions, the Debtors and the Consultant shall be presumed to be in compliance with any Applicable Sale Laws and are authorized to conduct the Store Closing Sales 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.

41. 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) the Debtors, Attn: Legal Dept.; (b) proposed counsel to the Debtors, Sidley Austin, LLP, Attn.: Duston McFaul (dmcfaul@sidley.com), Jackson Garvey (jgarvey@sidley.com), and Michael Sabino

(msabino@sidley.com); (c) the United States Trustee for the Southern District of Texas, Attn.: Jayson B. Ruff (jayson.b.ruff@usdoj.gov); (d) counsel to any statutory committee appointed in these Chapter 11 Cases; (e) the Consultant, Attn: Timothy J. Shilling (tshilling@brileyfin.com) and Rebecca Hollander (rhollander@brileyfin.com) and (f) any affected landlord and their counsel of record (if known).

V. Consumer Provisions.

42. For the first 14 days following the Petition Date, the Debtors shall accept returns of merchandise sold by the Debtors in the ordinary course prior to any Store Closing Sales; 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 Closing Sales; 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 this Order, shall not be accepted, and (b) gift certificates may not be returned for cash.

43. 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 Closing Sales 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.

44. For the first fourteen (14) days following the Petition Date, the Stores will continue to accept the Debtors' validly-issued gift certificates issued prior to the Store Closing Sales for in-

person (and only in person) purchases in the ordinary course of business. After the expiration of the 14 days to utilize gift certificates in-store, all such validly-issued gift certificates 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 certificates are not redeemable for cash at any time.

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

VI. Other Provisions.

46. 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.

47. Within 30 days of conclusion of the Store Closing Sales, 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 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.

48. 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 the use of banners, sign-walkers, and A-frame 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 or against 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 in or to the Store Closing Assets and/or the Additional Agent Merchandise. 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.

49. Nothing in this Interim Order constitutes (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim or interest under applicable law or nonbankruptcy law; (c) a promise or requirement to pay any claim; (d) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law; (e) a request for or granting of approval for assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code; or (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates. Any payment made pursuant to this order is not intended to be nor should it be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

50. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

51. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this order.

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

Dated: _____, 2024
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Consulting Agreement

CONSULTING AGREEMENT

This Consulting Agreement (collectively with all Exhibits hereto, the “Agreement”) is made as of **June 27, 2024**, by and between **Conn Appliances, Inc.**, a Texas corporation (“Merchant”), and **B. Riley Retail Solutions, LLC**, a California limited liability company (“Consultant” and together with Merchant, the “Parties” and each a “Party”).

RECITALS

WHEREAS, Merchant operates retail stores and desires that Consultant act as Merchant’s Consultant for the limited purposes of (i) selling all of the Merchandise (as hereinafter defined) from Merchant’s retail store locations, factories, warehouses, distribution centers, corporate headquarters, and/or eCommerce sites listed on **Exhibit A** attached hereto (each individually a “Store,” and collectively the “Stores”), which list may be amended by Merchant in writing from time to time (including by adding or removing Stores), by means of a “store closing”, “location closing”, “everything on sale”, “everything must go”, or similar themed sale, as agreed between the Parties in writing, and (ii) disposing of the FF&E (defined below) in the Stores, in each case on the terms and conditions set forth in this Agreement (the “Sale”).

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Section 1. Appointment of Consultant

Effective as of the date hereof, Merchant hereby appoints Consultant, and Consultant hereby agrees to serve, as Merchant’s exclusive agent for the limited purpose of conducting the Sale and assisting Merchant in the sale of the Merchandise and FF&E (each as defined below) in accordance with the terms and conditions of this Agreement. Subject to the above, and to Merchant’s prior approval of any sale signage and advertising messaging, Consultant shall be authorized to advertise the Sale as a “store closing”, “location closing”, “everything on sale”, “everything must go”, or similar-themed sale approved in writing by Merchant.

Section 2(a). Merchandise

As used in this Agreement, “Merchandise” means all first quality goods, saleable in the ordinary course, located in the Stores on the Sale Commencement Date (defined below) or delivered thereto after the Sale Commencement Date pursuant to the terms of this Agreement. “Merchandise” excludes (1) goods that belong to sublessees, licensees, or concessionaires of Merchant, as identified by Merchant prior to the Sale Commencement Date; (2) FF&E (defined below) and improvements to real property that are located in the Stores; (3) damaged or defective goods; (4) goods held by Merchant on memo, on consignment, or as bailee as identified by

Merchant prior to the Sale Commencement Date (defined below); and (5) gift cards (third party and Merchant branded).

Section 2(b). FF&E

As used in this Agreement, “FF&E” means the furniture, furnishings, trade fixtures, machinery, equipment, office supplies, supplies, conveyor systems, racking, rolling stock, and other tangible personal property, including raw materials, owned by Merchant and located in the Stores.

Section 3. Sale Term

The Sale shall commence on or about **June 26th, 2024**, or such other date as agreed upon by Merchant and Consultant with respect to each store (the “Sale Commencement Date”), and conclude no later than **September 30th, 2024** (the “Sale Termination Date”); provided, however, that the Parties may mutually agree in writing to extend or terminate the Sale at any Store(s) prior to the Sale Termination Date. The date on which the Sale has concluded at all of the Stores is the “Sale Termination Date” and the period between the Sale Commencement Date and the Sale Termination Date, inclusive, is the “Sale Term”. To the extent that the Sale in one or more Stores is delayed or interrupted because such Store(s) is required to be closed due to the issuance of an order, rule, restriction, recommendation or regulation by a federal, state or local government agency, or similar regulatory or authoritative agency that may be imposed on any aspect of Merchant’s ability to operate the Stores in response to any health-related outbreak or pandemic (“Health Regulations”), the Sale Termination Date as to the affected Store may be extended by the time period for which the Sale was delayed or interrupted by the agreement of the Parties. At the conclusion of the Sale for each Store, Consultant shall surrender the premises for such Store to Merchant in broom clean condition with any unsold FF&E to be left in place at the Stores.

Section 4. Project Management

(A) Consultant’s Undertakings

During the Sale Term, Consultant shall, in collaboration with Merchant: (i) provide qualified supervisors (the “Supervisors”) engaged by Consultant to oversee the Sale and management of the Stores in an effort to maximize revenue and sell all of the Merchandise prior to the end of the Sale; (ii) determine appropriate point-of-sale and external advertising, subject to the reasonable advance approval of Merchant; (iii) determine appropriate discounts of Merchandise, staffing levels, and appropriate bonus and incentive programs, if any, for the Stores’ employees, each subject to the reasonable advance approval of Merchant; (iv) oversee display of Merchandise for the Stores; (v) evaluate sales of Merchandise by category, provide sales reporting (but only if, and to the extent that, Merchant provides Consultant access to the point of sale data in the normal course), and monitor expenses; (vi) assist Merchant in connection with managing and controlling loss prevention and employee relations matters; (vii) to the extent necessary, assist Merchant in obtaining any required permits and governmental consents required to conduct the Sale; (viii) price, market, and sell the FF&E on behalf of Merchant; and (ix) provide such other related services

deemed necessary or appropriate by Merchant and Consultant, including but not limited to arranging wholesale sales of the Merchandise.

Merchant shall be responsible for all reasonable costs and expenses incurred by Consultant in connection with the sale of FF&E in accordance with a mutually agreed budget to be determined at a later time; for the sake of clarity, such expenses are not included in the Expense Budget attached hereto as **Exhibit B**. For the avoidance of doubt, Consultant reserves the right to amend Exhibit B to reflect changes in the Sale Term for any Store. Consultant shall have the right to abandon at the Stores any unsold FF&E. Unless otherwise agreed to by Merchant, the sale of the FF&E in each Store shall conclude at the same time as Merchandise Sales conclude.

The Parties expressly acknowledge and agree that Merchant shall have no liability (other than reimbursing Consultant for the cost of supervision as an expense hereunder) to the Supervisors for wages, benefits, severance pay, termination pay, vacation pay, pay in lieu of notice of termination, or any other liability arising from Consultant's hiring or engagement of the Supervisors, and the Supervisors shall not be considered employees of Merchant.

The Parties further acknowledge that Consultant does not warranty or guarantee that it will be able to assist Merchant in obtaining all of the permits and governmental consents required to conduct the Sale, and Consultant shall have no liability to Merchant or any permitting or governmental agencies for the payment of any fines, costs or assessments that may be charged to Merchant or Consultant to the extent that any such required permits or governmental consents are not properly or timely obtained.

(B) Merchant's Undertakings

During the Sale Term, Merchant shall (i) be the employer of the Store's employees, other than the Supervisors; (ii) pay all taxes, costs, expenses, accounts payable, and other liabilities relating to the Stores, the Stores' employees and other representatives of Merchant; (iii) prepare and process all tax forms and other documentation; (iv) collect all sales taxes and pay them to the appropriate taxing authorities; (v) use reasonable efforts to cause Merchant's employees to cooperate with Consultant and the Supervisors; (vi) execute all agreements determined by Merchant and/or Consultant to be necessary or desirable for the operation of the Stores during the Sale; (vii) arrange for the ordinary maintenance in order to maintain in good working order all point-of-sale equipment, HVAC systems, other mechanical devices and overall facilities reasonably required to allow for the conduct of the Sale and operation of the Stores; (viii) provide peaceful use and occupancy of, and full access (including reasonable before and after hours access and normal utilities/phone service) to, the Stores, for the purpose of preparing for, conducting, and completing the Sale, and performing its obligations under this Agreement; and (ix) with Merchant's consent, Consultant shall have access, right, and ability to use, until the Sale Termination Date, the trade names, logos, e-mail lists, mailing lists, customer lists, including wholesale customer lists, social media sites such as Facebook, and Twitter relating to and used in connection with the operation of the e-Store, solely for the purposes of advertising the Sale, selling Merchandise and FF&E, and otherwise conducting the Sale in accordance with the terms of the Agreement.

Merchant shall provide throughout the Sale Term central administrative services necessary for the Sale, including internal payroll processing, MIS services, cash and inventory reconciliation, data processing and reporting, email preparation and distribution, information technology updates, functionality, and maintenance, and accounting, all at no cost to Consultant.

Consultant shall have no liability to, and Merchant shall indemnify and hold Consultant harmless from, any claim by or on behalf of Merchant's employees for wages, benefits, severance pay, termination pay, vacation pay, pay in lieu of notice of termination or any other liability arising from Merchant's employment, hiring or retention of its employees, and such employees shall not be considered employees of Consultant.

The Parties acknowledge the ongoing nature of the COVID-19 pandemic, as well as other emerging infectious diseases and health-related outbreaks, and that local, state and national laws and responses are continuously developing, often in unpredictable ways. Merchant hereby agrees that, while Consultant will fully cooperate with Merchant to adhere to any health regulations, the responsibility and expense of complying with any such laws, regulations, or orders, including their enforcement and implementation, shall be the sole responsibility of Merchant. Examples of such restrictions, regulations or recommendations may include, without limitation: (i) providing protective gear (such as masks, sanitizers, and similar items) aimed at reducing the spread of the virus to Merchant's employees, customers, vendors, etc.; (ii) implementing physical restrictions with regard to Store operations, including monitoring the number of customers allowed into a Store at any given time; and (iii) enforcing daily cleaning and sanitizing procedures at the Stores. Merchant and its employees shall be solely responsible to facilitate, enforce, and implement any such restrictions or regulations, at Merchant's sole cost and expense.

Section 5. The Sale

All sales of Merchandise and FF&E shall be made on behalf of, and solely in the name of, Merchant. Consultant does not have, nor shall it have, any right, title, or interest in Merchandise or FF&E. All sales of Merchandise or FF&E shall be by cash, gift card, gift certificate, merchandise credit, debit card, or credit card and, at Merchant's discretion, by check or otherwise in accordance with Merchant's policies, and shall be "final" with no returns accepted or allowed, unless otherwise directed by Merchant.

Section 6. Consultant Fee and Expenses in Connection with the Sale

(A) Gross Proceeds.

With respect to Merchandise or FF&E, as applicable, that is sold through the Sale, whether sold at retail or wholesale, "Gross Proceeds" means the sum of all gross proceeds thereof (including, as a result of the redemption of any gift card, gift certificate, merchandise credit, or loyalty vouchers (i.e., \$10 off) (collectively, "Gift Cards") as well as wholesale sales to third parties) during the Sale Term, after the application of all discounts and net only of sales taxes.

During the Sale Term, Merchant will allow customers to elect to take advantage of either (i) the discounts afforded to customers in connection with Merchant’s loyalty/membership program benefits and/or Merchant’s coupons that are valid at the time of sale (collectively, “Merchant Discounts”) or the then-prevailing discounts being offered. For the avoidance of doubt; Merchant will not allow customers to apply both forms of discounts at the time of purchase, on a cumulative basis. Merchant will accept Gift Cards and Merchant Discount for the first thirty (30) days of the Sale Term. For the avoidance of doubt, during the Sale, Merchant shall not allow its customers to purchase merchandise using Merchant’s inhouse credit programs, aka Conn’s “YesMoney” or allow purchases using Merchant’s lease to own program, aka “Improvement Financial”. Third party financing offered by Synchrony, American First Finance (“AFF”) and other third-party lease-to-own providers will continue to be offered during the Sale Term.

(B) Consultant’s Fee

- a. As consideration for its services under this Agreement, Merchant shall pay to Consultant a fee equal to a percentage of all Gross Proceeds of Merchandise and FF&E, in accordance with the fee structure below, each calculated from the first dollar recovered:
 - i. For the sale of Merchandise during the Sale, Merchant shall pay Consultant a base fee (“Base Fee”) based upon gross recoveries on cost as set forth below:

Consultant’s Fee	Gross Recovery on Cost Thresholds (calculated as Gross Proceeds divided by cost of Merchandise sold)
1.75%	Below 105% of Cost
2.0%	Between 105.1% and 109.9% of Cost
2.25%	110% of Cost or More

- ii. For the sale of FF&E during the Sale, a fee equal to fifteen percent (15.0%) of all Gross Proceeds of FF&E sales (“FF&E Fee”).

“Cost Value” shall mean the unit cost set forth in the following file “Store Retail Data”, “Store Data v2”, or any updated files (subject to the Parties’ consent, email being sufficient):

Calculations for Consultant’s Fees shall exclude customers’ purchases of (i) merchandise delivery costs, (ii) Repairs Service Agreements, and (iii) additional product warranties.

(C) Gross Rings

For purposes of calculating Gross Proceeds, the Base Fee, and FF&E Fee, the Parties shall use the “Gross Rings” method, wherein Consultant and Merchant shall jointly keep (i) a strict

count of gross register receipts less applicable sales taxes, (ii) cash reports of sales within each Store, and (iii) invoices of sales made through wholesale channels, if any. Register receipts show for each item sold the 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 and Merchant during regular business hours upon reasonable notice.

(D) Expenses

Merchant shall be responsible for all costs and expenses of the Sale, including but not limited to all Store-level operating expenses. To control the Sale expenses, Merchant and Consultant have established a budget (the "Expense Budget") of certain expenses in connection with the Sale, including payment of the costs of supervision (including Supervisors' wages, fees, travel, and deferred compensation), advertising costs, and Consultant's corporate travel/legal expenses, which aggregate sum Consultant shall not exceed absent Merchant's prior written consent. The Expense Budget is attached hereto as **Exhibit B**. The Expense Budget may only be modified by mutual written agreement of the Parties. The Parties acknowledge that the Expense Budget will be updated in connection with any modification of the lists of Stores and agree to cooperate in good faith with respect to such updates.

(E) Advance on Expenses

As an advance against the expenses of the Sale, and to secure payment of the same and any other amounts due Consultant, no later than one week before the Sale Commencement Date, Merchant shall pay to Consultant a deposit in the amount of **two-hundred and fifty thousand dollars (\$250,000.00)**, which shall be applied against Consultant Expenses, Base Fee, and/or FF&E Fee at the end of the Sale Term and, to the extent not expended when the Sale concludes (assuming Consultant claims no other amounts are due under the Agreement to Consultant and no other damages were incurred), shall be returned to Merchant as part of the Final Reconciliation (defined below) or such other time that Merchant and Consultant mutually agree.

(F) Reconciliation

Consultant shall submit invoices to Merchant on a weekly basis setting forth (i) the Base Fee and/or FF&E Fee earned during the preceding week, (ii) any expenses incurred by Consultant during the preceding week for which Consultant is entitled to reimbursement, and (iii) the Additional Goods Fee. No later than five (5) days after submission, the Base Fee, FF&E Fee, and any expenses shall be paid in full by Merchant via wire transfer to Consultant.

The Parties shall complete a final reconciliation and settlement of all amounts payable to Consultant under this Agreement (including, without limitation, Expense Budget items and fees) (the "Final Reconciliation") no later than forty-five (45) days following the Sale Termination Date for the last Store. The Parties shall cooperate in good faith to resolve any disputes with regard to such reconciliation.

Section 7. Additional Goods

- (A) Subject to the written agreement of Merchant, Consultant may deliver to any Store certain items of merchandise (the “Additional Goods”) of like kind and quality to the Merchandise in such Store. Consultant and Merchant intend that the transactions relating to the Additional Goods are, and shall be construed as, a true consignment from Consultant to Merchant in all respects and not a consignment for security purposes. At all times and for all purposes, the Additional Goods and the proceeds thereof shall be the exclusive property of Consultant, and no other person or entity shall have any claim against any of the Additional Goods or its proceeds unless Consultant otherwise agrees with another person or entity, pursuant to a separate written agreement. The Additional Goods shall at all times remain subject to the exclusive control of Consultant. Subject solely to Consultant’s obligations to pay Merchant the Merchant’s Share, the Additional Goods and the identifiable proceeds thereof are not property of Merchant (or Merchant’s estate) and do not constitute property of Merchant (or Merchant’s estate) subject to any lender’s lien. Merchant acknowledges that it does not acquire any property right or security interest in such Additional Goods. Merchant hereby grants Consultant a first priority security interest in the Additional Goods which security interest shall be deemed perfected without the requirement of filing Uniform Commercial Code financing statements or providing notifications to any prior secured parties.
- (B) Consultant shall be entitled to allow consignment third party vendors to sell Additional Goods at the Stores.
- (C) Merchant shall utilize distinct SKUs or other means in order to distinguish the Additional Goods from other Merchandise at the Stores. The process for applying such distinct SKUs to the Additional Goods shall be mutually acceptable to the Parties.
- (D) Merchant shall collect all actual proceeds of all sales (“Gross Proceeds from Additional Goods”) from the sale of the Additional Goods. Merchant shall be entitled to retain seven and one half percent (7.5%) (“Merchant’s Share”) of such Gross Proceeds from Additional Goods (net of any applicable sales taxes) and shall remit the remaining ninety two and one half percent (92.5%) (“Consultant’s Share”) of such Gross Proceeds from Additional Goods (net of any applicable sales taxes) to Consultant on a weekly basis as set forth in section 6(F).
- (E) Promptly following the Sale Termination Date, Consultant shall remove the remaining Additional Goods, if any, from the Store.
- (F) No later than forty-five (45) days following the Sale Termination Date, the Parties shall complete a final reconciliation and settlement of the sale of Additional Goods, including a summary of Gross Proceeds from Additional Goods, expenses incurred (including the cost of goods sold, shipping, ticketing, etc.), and any amounts paid pursuant to Section 7(c) against the final reconciliation of the sale

results (the “Final Reconciliation of Additional Goods”). Consultant shall submit invoices or other reasonable documentation to Merchant as part of the Final Reconciliation of Additional Goods setting forth expenses it has incurred with respect to the sale of the Additional Goods. During the Sale, and until the Final Reconciliation of Additional Goods is complete and all obligations under this Agreement have been satisfied, Consultant shall have reasonable access to review and audit Merchant’s records with respect to Gross Proceeds from Additional Goods, expenses, and other sale-related items. The Parties shall cooperate in good faith to resolve any disputes with regard to such reconciliation. Upon completion of the Final Reconciliation of Additional Goods, the Parties shall pay or be paid, as applicable, any amounts remaining to equal to (i) any unpaid portion of Consultant’s Share and (ii) any unpaid portion of Merchant’s Share. Any expenses related to the sale of the Additional Good, which costs shall not constitute expenses reimbursable pursuant to the Expense Budget under this Agreement, shall be deducted from Consultant’s Share, provided, however, that such costs shall not include any occupancy expenses related to the Stores. For the avoidance of doubt, Merchant shall not be entitled to any other fee or commission for sale of the Additional Goods other than payment of Merchant’s Share.

Section 8. Indemnification and Limitation on Liability

(A) Merchant’s Indemnification

Merchant hereby indemnifies, defends, and holds Consultant and its affiliates and its and their respective members, managers, partners, officers, directors, employees, attorneys, advisors, principals, consultants and Supervisors (collectively, the “Consultant Indemnified Parties”) harmless from and against all liabilities, claims, demands, damages, costs, and expenses (including reasonable attorneys' fees) (collectively, “Losses”) arising from or related to (i) the acts or omissions of Merchant or Merchant Indemnified Parties (as defined below); (ii) any liability or other claims, including, without limitation, product liability claims, asserted by customers, any Store employees (under a collective bargaining agreement or otherwise), or any other person (excluding the Consultant Indemnified Parties) against Consultant or any Consultant Indemnified Party, except claims arising from Consultant’s own gross negligence or willful misconduct; (iii) any harassment, discrimination or violation of any laws or regulations or any other unlawful, tortious, or otherwise actionable treatment of any Consultant Indemnified Parties or Merchant’s customers by Merchant or any Merchant Indemnified Parties; (iv) Merchant’s failure to pay over to the appropriate taxing authority any taxes required to be paid by Merchant during the Sale Term in accordance with applicable law; (v) any claims of Merchant’s employees for wages, benefits, severance pay, termination pay, vacation pay, pay in lieu of notice of termination or any other liability arising from Merchant’s employment, hiring or retention of its employees; and/or (vi) any liability or other claims arising out of liens, claims, interests and encumbrances asserted against the Merchandise or FF&E by any third parties, in each case. Further, Merchant hereby agrees to promptly reimburse the Consultant Indemnified Parties for any legal fees or other expenses reasonably incurred by the Consultant Indemnified Parties in connection with such claims as they are incurred. Such indemnification and expense advancement/reimbursement shall survive the

completion of the engagement and/or the expiration or termination of this engagement or this Agreement.

(B) Consultant's Indemnification

Consultant hereby indemnifies, defends, and holds Merchant and its affiliates and its and their respective members, managers, partners, officers, directors, employees, attorneys, advisors, and principals and consultants (other than Consultant or the Consultant Indemnified Parties) (collectively, the "Merchant Indemnified Parties") harmless from and against all Losses arising from or related to (i) the willful misconduct or grossly negligent acts or omissions of Consultant, (ii) any harassment, discrimination or violation of any laws or regulations or any other unlawful, tortious or otherwise actionable treatment of the Merchant Indemnified Parties or Merchant's customers by Consultant or any of the Consultant Indemnified Parties, and (iii) any claims made by any party engaged by Consultant as an employee, agent, representative or independent contractor arising out of Consultant's or any of the Consultant Indemnified Parties' acts or omissions. Further, Consultant hereby agrees to promptly reimburse the Merchant Indemnified Parties for any legal fees or other expenses reasonably incurred by the Merchant Indemnified Parties in connection with such claims as they are incurred. Such indemnification and expense advancement/reimbursement shall survive the completion of the engagement and/or the expiration or termination of this engagement or this Agreement.

(C) Limitation on Liability

NEITHER PARTY SHALL BE RESPONSIBLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR OTHER SPECIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS AND DAMAGE TO REPUTATION OR BUSINESS) ARISING UNDER OR BY REASON OF THIS AGREEMENT, THE SERVICES OR ANY ACT OR OMISSION HEREUNDER. FURTHERMORE, IN NO EVENT SHALL CONSULTANT'S LIABILITY PURSUANT TO THIS AGREEMENT EXCEED THE AMOUNT OF FEES PAID BY MERCHANT TO CONSULTANT HEREUNDER.

Section 9. Insurance

(A) Merchant's Insurance Obligations

Merchant shall maintain, throughout the Sale Term, liability insurance policies (including, without limitation, products liability, comprehensive commercial general liability insurance, and auto liability insurance), with at least the coverage limits currently existing thereunder, covering injuries to persons and property in or in connection with the Stores and/or the Merchandise, and shall cause Consultant to be named an additional insured with respect to all such policies. At Consultant's request, Merchant shall provide Consultant with a certificate or certificates evidencing the insurance coverage required hereunder and that Consultant is an additional insured thereunder. In addition, Merchant shall maintain throughout the Sale Term, in such amounts as it

currently has in effect, workers compensation insurance in compliance with all applicable statutory requirements.

(B) Consultant's Insurance Obligations

Consultant shall maintain, throughout the Sale Term, comprehensive commercial general liability insurance in an amount of at least one million dollars (\$1,000,000) per occurrence and at least five million dollars (\$5,000,000) in the aggregate covering injuries to persons and property in or in connection with Consultant's provision of services at the Stores.

Section 10. Representations, Warranties, Covenants and Agreements

(A) Merchant's Representations, Warranties, Covenants and Agreements.

Merchant warrants, represents, covenants, and agrees that (i) Merchant is a company duly organized, validly existing, and in good standing under the laws of its state of organization, with full power and authority to execute and deliver this Agreement and to perform its obligations hereunder and maintains its principal executive office at the address set forth herein; (ii) the execution, delivery and performance of this Agreement has been duly authorized by all necessary actions of Merchant and this Agreement constitutes a valid and binding obligation of Merchant enforceable against Merchant in accordance with its terms and conditions, and the consent of no other entity or person is required for Merchant to fully perform all of its obligations herein; (iii) all ticketing of Merchandise at the Stores has been and will be done in accordance with Merchant's customary ticketing practices; (iv) all normal course hard markdowns on the Merchandise have been, and will be, taken consistent with customary Merchant's practices; (v) the Stores will be operated in the ordinary course of business in all respects other than those expressly agreed to by Merchant and Consultant; (vi) Merchant has legal title to the Merchandise and FF&E and has legal authority to sell these items to the general public free and clear of any liens, claims or encumbrances; and (vii) in the event any third parties have recorded or asserted any lien or encumbrance against the Merchandise and/or FF&E, Merchant represents that it has obtained the consent of such parties to the sale of these assets free and clear of any such liens.

(B) Consultant's Representations, Warranties, Covenants and Agreements.

Consultant warrants, represents, covenants and agrees that: (i) Consultant is a company duly organized, validly existing, and in good standing under the laws of its state of organization, with full power and authority to execute and deliver this Agreement and to perform Consultant's obligations hereunder, and maintains its principal executive office at the addresses set forth herein; (ii) the execution, delivery and performance of this Agreement has been duly authorized by all necessary actions of Consultant and this Agreement constitutes a valid and binding obligation of Consultant enforceable against Consultant in accordance with its terms and conditions, and the consent of no other entity or person is required for Consultant to fully perform all of its obligations

herein; (iii) Consultant shall conduct the sale in accordance with the terms of this Agreement; and (iv) Consultant will not take any disciplinary action against any employee of Merchant.

Section 11. Termination

The following shall constitute "Termination Events" hereunder:

- (A) Merchant's or Consultant's failure to perform any of their respective material obligations hereunder, which failure remains uncured for seven (7) days after receipt of written notice thereof to the defaulting Party;
- (B) Any representation or warranty made by Merchant or Consultant is untrue in any material respect as of the date made or at any time and throughout the Sale Term; or
- (C) The Sale is terminated or materially interrupted or impaired for any reason other than an event of default by Consultant or Merchant.

If a Termination Event occurs, the non-defaulting Party (in the case of an event of default) or either Party (if the Sale is otherwise terminated or materially interrupted or impaired) may, in its discretion, elect to terminate this Agreement by providing seven (7) days' written notice thereof to the other Party and, in the case of an event of default, in addition to terminating this Agreement, pursue any and all rights and remedies and damages resulting from such default. Notwithstanding anything to the contrary in this Agreement, Consultant, in its sole and reasonable business judgement, may elect to terminate this Agreement at any time. If this Agreement is terminated, Merchant shall be obligated to pay Consultant all undisputed amounts due under this Agreement through and including the termination date.

Section 12. Notices

All notices and communications provided for pursuant to this Agreement shall be in writing, and sent by hand, facsimile, recognized overnight delivery service, or email, as follows:

If to Consultant:

B. Riley Retail Solutions, LLC
30870 Russell Ranch Road, Suite 250
Westlake Village, CA 91362
Attention: Scott K. Carpenter and Tim Shilling
Tel: (818) 746-9309
Email: scarpenter@brileyfin.com, tshilling@brileyfin.com, legal@brileyfin.com

If to the Merchant:

Conn's Inc.
2445 Technology Forest Boulevard, Suite 800
The Woodlands, TX 77381

Attention: Timothy Santo, CFO
Email: timothy.santo@conns.com

Section 13. Independent Consultant

Consultant's relationship to Merchant is that of an independent contractor without the capacity to bind Merchant in any respect, except with respect to ordinary course sales of Merchandise and FF&E through the Sale. No employer/employee, principal/agent, joint venture, or other such relationship is created by this Agreement. Merchant shall have no control over the hours that Consultant or its employees or assistants or the Supervisors work or the means or manner in which the services that will be provided are performed and Consultant is not authorized to enter into any contracts or agreements on behalf of Merchant or to otherwise create any obligations of Merchant to third parties, unless authorized in writing to do so by Merchant.

Section 14. Non-Assignment

Merchant may not assign this Agreement without the express written consent of Consultant. No modification, amendment, or waiver of any of the provisions contained in this Agreement, or any future representation, promise or condition in connection with the subject matter of this Agreement, shall be binding upon either Party unless made in writing and signed by a duly authorized representative or agent of such Party. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, successors, and permitted assigns. Upon written notice to Merchant, Consultant may syndicate the transactions contemplated by this Agreement with one or more third parties.

Section 15. Severability

If any term or provision of this Agreement, as applied to either Party or any circumstance, for any reason shall be declared by a court of competent jurisdiction to be invalid, illegal, unenforceable, inoperative, or otherwise ineffective, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable. If the surviving portions of the Agreement fail to retain the essential understanding of the Parties, the Agreement may be terminated by mutual consent of the Parties.

Section 16. Governing Law, Venue, Jurisdiction, and Jury Waiver

This Agreement and its validity, construction and effect shall be governed by and enforced in accordance with the internal laws of the State of Delaware (without reference to the conflict of laws provisions therein). The parties agree that all claims, controversies, or disputes arising with regard to this Agreement shall be tried and litigated only in the state courts or federal courts located in the State of Delaware located in New Castle County, subject to Section 19 hereof, and each party hereto submits to the exclusive jurisdiction and venue of such courts relative to any such claim, controversy or dispute. Merchant and Consultant waive their respective rights to trial by jury of any cause of action, claim, counterclaim, or cross-complaint in any action, proceeding, and/or

hearing brought by either Party against the other on any matter whatsoever arising out of, or in any way connected with, this Agreement, the relationship between Merchant and Consultant, any claim of injury or damage or the enforcement of any remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect.

Section 17. Entire Agreement

This Agreement, together with all additional schedules and exhibits attached hereto, constitutes a single, integrated written contract expressing the entire agreement of the Parties concerning the subject matter hereof. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party except as specifically set forth in this Agreement. All prior agreements, discussions, and negotiations with respect to the subject matter of this Agreement are entirely superseded by this Agreement.

Section 18. Execution

This Agreement may be executed simultaneously in counterparts (including by means of electronic mail, facsimile, or portable document format (pdf) signature pages), any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same instrument. This Agreement, and any amendments hereto, to the extent signed and delivered by means of electronic mail, a facsimile, or electronic transmission in portable document format (pdf), shall be treated in all manner and respects as an original thereof and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

Section 19. Bankruptcy Court Approval

If Merchant commences a case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), with a bankruptcy court (the "Bankruptcy Court"), or consents to relief in the event an involuntary petition for relief under the Bankruptcy Code is filed against Merchant, Merchant shall file a motion to assume this Agreement under section 365 of the Bankruptcy Code, and utilize its commercially reasonable efforts to ensure that such motion is approved by an order (the "Approval Order") that provides for, among other things, the following relief: (i) approval and/or assumption of this Agreement; (ii) the payment of all fees and reimbursement of expenses hereunder to Consultant without further order of the Bankruptcy Court, free and clear of all liens, claims and encumbrances, on a weekly basis without further order of the Bankruptcy Court and otherwise in accordance with this Agreement; (iv) approval of the transaction contemplated hereby; (iii) authorization of 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; (iv) authorization of 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 (v) authorization of Merchant to take such further actions as are necessary or appropriate to carry out the terms and conditions of this Agreement. In the event of a bankruptcy filing, any legal action, suit, or proceeding arising in connection with this 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.

[remainder of page left intentionally blank]


IN WITNESS WHEREOF, Consultant and Merchant hereby execute this Agreement by their duly authorized representatives as a sealed instrument as of the day and year first written above.

B. Riley Retail Solutions, LLC



By: Timothy J. Shilling
Its: President

~~Conn Appliances, Inc.~~



By: Timothy Santo
Its: CFO

Exhibit A
Stores

Conn's Home Plus / Badcock Furniture Store List Exhibit A

Str	Banner	Type	Store Name	Address	City	ST	Zip
29	Conn's	Conn's	TX - Webster - Point Nasa	1020 WEST NASA ROAD	WEBSTER	TX	77598
71	Conn's	Conn's	TX - Houston - Northway	11051 NORTHWEST FREEWAY	HOUSTON	TX	77092
81	Conn's	Conn's	TX - Dallas - Central Royal	11250 NORTH CENTRAL EXPY	DALLAS	TX	75243
83	Conn's	Conn's	TX - Dallas - Lewisville	2422 S STEMMONS FWY	LEWISVILLE	TX	75067
111	Conn's	Conn's	OK - Oklahoma City - Midland Cente	MIDLAND CENTER SHOPPING C	OKLAHOMA CI	OK	73112
116	Conn's	Conn's	OK - Oklahoma City - Penn Park	1615 PENN PARK BLVD	OKLAHOMA CI	OK	73159
123	Conn's	Conn's	AZ - Tucson - Broadway	5530 E BROADWAY BLVD	TUCSON	AZ	85711
127	Conn's	Conn's	OK - Tulsa - Mingo Marketplace	10143 E 71 ST	TULSA	OK	74133
130	Conn's	Conn's	AZ - Tempe - Arizona Mills	5000 S ARIZONA MILLS CIR	TEMPE	AZ	85282
135	Conn's	Conn's	AZ - Yuma - Las Palmillas	1190 S. CASTLE DOME AVE	YUMA	AZ	85364
136	Conn's	Conn's	LA - Shreveport - Kings Crossing	7081 YOUREE DR	SHREVEPORT	LA	71105
143	Conn's	Conn's	AZ - Chandler	2820 W. CHANDLER BLVD	CHANDLER	AZ	85224
145	Conn's	Conn's	CO - Aurora - City Place	60 S ABILENE	AURORA	CO	80012
147	Conn's	Conn's	CO - Arvada - Marketplace	7360 W 52ND AV	ARVADA	CO	80002
148	Conn's	Conn's	AZ - Tucson - Marana	3742 W RIVER ROAD	TUCSON	AZ	85741
149	Conn's	Conn's	CO - Sheridan - River Point	3950 RIVER POINT PARKWAY	ENGLEWOOD	CO	80110
151	Conn's	Conn's	TN - Madison - Rivergate Station	1655 GALLATIN PIKE NORTH	MADISON	TN	37115
154	Conn's	Conn's	AZ - Phoenix - Metro Market Place	2820 WEST DUNLAP	PHOENIX	AZ	85051
157	Conn's	Conn's	TN - Knoxville - Town & Country	151 N PETERS RD	KNOXVILLE	TN	37923
159	Conn's	Conn's	MS - Jackson - County Line Plaza	1051 E COUNTY LINE RD	JACKSON	MS	39211
161	Conn's	Conn's	TN - Memphis - Cross Creek	3525 RIVERDALE ROAD	MEMPHIS	TN	38115
164	Conn's	Conn's	SC - Florence - Crossroads	2530 DAVID MCLEOD	FLORENCE	SC	29501
173	Conn's	Conn's	CO - Ft Collins	120 BOCKMAN DR	FORT COLLINS	CO	80525
174	Conn's	Conn's	CO - Colorado Springs	345 N ACADEMY BLVD	COLORADO SF	CO	80909
177	Conn's	Conn's	NC - Charlotte - Carolina Pavilion	9567 SOUTH BOULEVARD	CHARLOTTE	NC	28273
183	Conn's	Conn's	CO - Thornton	550 E 102ND AVE	DENVER	CO	80229
189	Conn's	Conn's	TN - Memphis - Austin Peay	3260 AUSTIN PEAY HIGHWAY	MEMPHIS	TN	38128
194	Conn's	Conn's	OK - Tulsa - Admiral Place	6921 E ADMIRAL PL	TULSA	OK	74115
197	Conn's	Conn's	NC - Charlotte - Independence	5704 E. INDEPENDENCE BLVD	CHARLOTTE	NC	28212
199	Conn's	Conn's	AZ - Phoenix - Arcadia Crossing	ARCADIA CROSSING	PHOENIX	AZ	85018
201	Conn's	Conn's	MS - Southaven - Staline Square	570 MAIN STREET	SOUTHAVEN	MS	38671
202	Conn's	Conn's	NC - Greensboro	3508 GATE CITY BLVD	GREENSBORO	NC	27407
203	Conn's	Conn's	LA - Monroe	3650 MILLHAVEN RD	MONROE	LA	71203
205	Conn's	Conn's	SC - North Charleston	4960 CENTRE POINTE DRIVE	NORTH CHARL	SC	29418
211	Conn's	Conn's	LA - Alexandria Mall	3437 MASONIC DR	ALEXANDRIA	LA	71301
214	Conn's	Conn's	VA - Richmond - Eastgate	4969 NINE MILE RD	RICHMOND	VA	23223
224	Conn's	Conn's	NC - Raleigh - Cap Crossing	2900 E MILLBROOK ROAD	RALEIGH	NC	27604
237	Conn's	Conn's	VA - Portsmouth - Alexander's Corne	2550 AIRLINE BLVD.	PORTSMOUTH	VA	23701
238	Conn's	Conn's	VA - Va Beach - Princess Anne Plaz	3421 VIRGINIA BEACH BLVD	VIRGINIA BEAC	VA	23452
240	Conn's	Conn's	VA - Hampton - Riverpointe	1082 W. MERCURY BLVD	HAMPTON	VA	23666
244	Conn's	Conn's	LA - Baton Rouge - Siegen Lane	10780 N. MALL DRIVE	BATON ROUGE	LA	70809
251	Conn's	Conn's	VA - Col Hghts - Southgate Square	120 SOUTHGATE SQUARE	COLONIAL HEI	VA	23834
253	Conn's	Conn's	AL - Birmingham - Roebuck	9530 PARKWAY EAST ROEBUCK	BIRMINGHAM	AL	35215
255	Conn's	Conn's	LA - Slidell - Northshore	150 NORTHSHORE BOULEVARD	SLIDELL	LA	70460
258	Conn's	Conn's	TX - Ft Worth - La Gran Plaza	4200 S. FREEWAY	FORT WORTH	TX	76115
272	Conn's	Conn's	FL - Bradenton - Cortez Plaza	4495 14TH STREET W.	BRADENTON	FL	34207
280	Conn's	Conn's	FL - Tampa - Horizon Park Shopping	3908 W HILLSBOROUGH AVE	TAMPA	FL	33614
281	Conn's	Conn's	FL - Kissimmee	105 W VINE STREET	KISSIMMEE	FL	34741
284	Conn's	Conn's	FL - Orlando - Highland Lakes	7407 WEST COLONIAL DRIVE	ORLANDO	FL	32818
285	Conn's	Conn's	FL - Orlando - Colonial Plaza	2628 EAST COLONIAL DRIVE	ORLANDO	FL	32803
287	Conn's	Conn's	TX - Wichita Falls	3915-A KELL BLVD	WICHITA FALL	TX	76308
290	Conn's	Conn's	TX - SA - Clearance Center	5776 Stemmons Dr	San Antonio	TX	78238
291	Conn's	Conn's	FL - Orlando - Florida Mall	1631 FLORIDA MALL AVE	ORLANDO	FL	32809
292	Conn's	Conn's	FL - Orange City Marketplace	810 SAXON BLVD	ORANGE CITY	FL	32763
293	Conn's	Conn's	FL - Ocala - Boyd Market Center	2800 SW 24TH AVE.	OCALA	FL	34471
294	Conn's	Conn's	FL - Port Richey - Embassy Crossing	9642 US HIGHWAY 19 NORTH	PORT RICHEY	FL	34668
295	Conn's	Conn's	TX - Austin - Capital Plaza	5431 N INTERSTATE 35	AUSTIN	TX	78723
296	Conn's	Conn's	FL - Orlando - Daytona	2500 W INTERNATIONAL	DAYTONA BEA	FL	32114
297	Conn's	Conn's	FL - Altamonte Springs	130 E.ALTAMONTE DRIVE	ALTAMONTE S	FL	32701
298	Conn's	Conn's	TX - Texarkana	2315 RICHMOND ROAD	TEXARKANA	TX	75503
302	Conn's	Conn's	FL - Pinellas Park - The Shoppes at	7300 US HIGHWAY 19 N	PINELLAS PAR	FL	33781
304	Conn's	Conn's	GA - Stone Mountain	1825 ROCKBRIDGE ROAD	STONE MOUNT	GA	30087
305	Conn's	Conn's	SC - Rock Hill	548 JOHN ROSS PARKWAY	ROCK HILL	SC	29730
307	Conn's	Conn's	FL - HIALEAH	3890 WEST 18TH AVE	HIALEAH	FL	33012
308	Conn's	Conn's	GA - Newnan - Newnan Pavilion	1098 BULLSBORO DRIVE	NEWNAN	GA	30265
309	Conn's	Conn's	FL - WEST PALM BEACH	4340 OKEECHOBEE	WEST PALM BI	FL	33409
313	Conn's	Conn's	LA - Houma	1779 MARTIN LUTHER KING	HOUMA	LA	70360
318	Conn's	Conn's	FL - MELBOURNE	1433 S BABCOCK STREET	MELBOURNE	FL	32901
319	Conn's	Conn's	FL - BOYNTON BEACH	9903 S. MILITARY TRAIL	BOYNTON BEA	FL	33436

**Conn's Home Plus / Badcock Furniture
Store List
Exhibit A**

Str	Banner	Type	Store Name	Address	City	ST	Zip
321	Conn's	Conn's	FL - Pembroke Pines	500 N. UNIVERSITY DRIVE	HOLLYWOOD	FL	33024
WSB-131	Badcock	Corporate	ST PETE MIDTOWN, FL	2000 34TH ST N	St. Petersburg	FL	33713
WSB-137	Badcock	Corporate	CEDARTOWN, GA	304 N Main Street	Cedartown	GA	30125
WSB-202	Badcock	Corporate	HENDERSONVILLE, TN	291 New Shackle Island Road	Hendersonville	TN	37075
WSB-203	Badcock	Corporate	MARIETTA, GA	3701 Austell Road, Ste 101	Marietta	GA	30008
WSB-204	Badcock	Corporate	SILER CITY, NC	100 Siler XING	Siler City	NC	27344
WSB-205	Badcock	Corporate	LAWRENCEVILLE, GA	860 Duluth Hwy, Ste 110	Lawrenceville	GA	30043
WSB-206	Badcock	Corporate	ROANOKE RAPIDS, NC	1558 Julian R. Allsbrook Hwy.	Roanoke Rapids	NC	27870
WSB-208	Badcock	Corporate	WAYNESBORO, VA	1301 W Broad Street	Waynesboro	VA	22980
WSB-321	Badcock	Corporate	MURFREESBORO, TN	1264 NW Broad Street	Murfreesboro	TN	37129
WSB-354	Badcock	Corporate	CHATTANOOGA, TN	5856 Brainerd Road	Chattanooga	TN	37411
WSB-491	Badcock	Corporate	EASLEY, SC	5659 Calhoun Memorial Hwy	Easley	SC	29640
WSB-496	Badcock	Corporate	TOCCOA, GA	966 Big A Road S	Toccoa	GA	30577
WSB-519	Badcock	Corporate	SYLACAUGA, AL	258 W Ft. William Street	Sylacauga	AL	35150
WSB-635	Badcock	Dealer-S	SAVANNAH SOUTH, GA	37 W Montgomery Rd	Savannah	GA	31406
WSB-748	Badcock	Dealer-S	SAVANNAH, GA	4609 Ogeechee Rd	Savannah	GA	31405
WSB-810	Badcock	Corporate	CLARKSVILLE EAST, TN	1947 Madison Street, Ste D	Clarksville	TN	37043
WSB-825	Badcock	Corporate	KINSTON, NC	4150 W Vernon Ave, Ste A	Kinston	NC	28504
WSB-839	Badcock	Corporate	PELL CITY, AL	613 N Martin Street, Ste. 400	Pell City	AL	35125
WSB-852	Badcock	Corporate	CHARLOTTE, NC	6021 S Blvd	Charlotte	NC	28217
WSB-856	Badcock	Corporate	GROVETOWN, GA	5107 Wrightsboro Road	Grovetown	GA	30813
WSB-859	Badcock	Corporate	SCOTTSBORO, AL	22991 John T. Reid Pkwy	Scottsboro	AL	35768
WSB-860	Badcock	Corporate	HOMEWOOD, AL	372 Palisades Blvd, Ste 24-B	Homewood	AL	35209
WSB-861	Badcock	Corporate	CROSSVILLE, TN	49 Cumberland Plaza	Crossville	TN	38555
WSB-862	Badcock	Corporate	FORT PAYNE, AL	101 Cracker Barrel Road	Fort Payne	AL	35968
WSB-864	Badcock	Corporate	EDEN, NC	220 W Kings Hwy, Ste C	Eden	NC	27288
WSB-870	Badcock	Corporate	KNOXVILLE PIKE, TN	9622 Kingston Pike	Knoxville	TN	37922
WSB-871	Badcock	Corporate	HUNTSVILLE, AL	4321 University Drive, Ste B	Huntsville	AL	35816
WSB-872	Badcock	Corporate	KNOXVILLE CROSSROADS, TN	7252 Norris Hwy, Ste 110	Knoxville	TN	37918
WSB-874	Badcock	Corporate	JASPER, AL	714 US Hwy 78E STE 130	Jasper	AL	35501
WSB-888	Badcock	Corporate	ORLANDO, FL	7873 S Orange Blossom Trail	Orlando	FL	32809
WSB-889	Badcock	Corporate	WYTHEVILLE, VA	1380 E Main Street	Ste 300, Wythe	VA	24382
WSB-890	Badcock	Corporate	FAIRLAWN, VA	7327 Peppers Ferry Blvd, Ste B-1	Fairlawn	VA	24141
WSB-894	Badcock	Corporate	HENDERSON, NC	1241 Dabney Drive	Henderson	NC	27536
WSB-895	Badcock	Corporate	PULASKI, VA	1130 E Main Street	Pulaski	VA	24301
WSB-899	Badcock	Corporate	CLARKSVILLE WEST, TN	700 N Riverside Drive	Clarksville	TN	37040

Exhibit B
Expense Budget

Exhibit B
Consultant Expense Budget

105 Store Group - estimated 10 week average sale term

Consultant Advertising	1,150,000
Consultant Supervision	1,110,000
Misc / Legal	<u>25,000</u>
Total Consultant Expense	\$2,285,000

AMENDMENT NO. 1 TO AGREEMENT

This AMENDMENT NO. 1 to CONSULTING AGREEMENT (this “Amendment”), is made and entered into as of July 19, 2024 (the “Effective Date”), by and between by and between **Conn Appliances, Inc.**, a Texas corporation (“Merchant”), and **B. Riley Retail Solutions, LLC**, a California limited liability company (“Consultant” and together with Merchant, the “Parties” and each a “Party”).

WHEREAS, the Consultant and Merchant are parties to that certain Consulting Agreement for dated as of June 27, 2024 (the “Agreement”) regarding the Sale of Merchandise and FF&E; and

WHEREAS, in light of the fact that Merchant intends to conduct a full-chain liquidation, the Parties now wish to amend certain provisions of the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confirmed, the parties hereto (the “Parties”) hereby agree to amend the Agreement as follows:

1. **Interpretation.** All capitalized terms used but not defined in this Amendment shall have the meanings set forth in the Agreement.
2. **Amendments.** The Agreement is hereby amended, effective as of the Effective Date, as follows:

2.1 Section 6(E) of the Agreement is hereby deleted in its entirety and replaced with the following:

As an advance against the expenses of the Sale, and to secure payment of the same and any other amounts due Consultant, no later than one week before the Sale Commencement Date, Merchant shall pay to Consultant a deposit in the amount of **one million and five hundred thousand dollars (\$1,500,00.00)**, which shall be applied against Consultant Expenses, Base Fee, and/or FF&E Fee at the end of the Sale Term and, to the extent not expended when the Sale concludes (assuming Consultant claims no other amounts are due under the Agreement to Consultant and no other damages were incurred), shall be returned to Merchant as part of the Final Reconciliation (defined below) or such other time that Merchant and Consultant mutually agree.

2.2 The Store list attached to the Agreement as **Exhibit A** is hereby deleted in its entirety and replaced with **Amended Exhibit A**, a copy of which is attached hereto. As set forth in the agreement, this list may be amended by Merchant in writing from time to time (including by adding or removing Stores).

2.3 The Budget attached to the Agreement as **Exhibit B** is hereby deleted in its entirety and replaced with **Amended Exhibit B**, a copy of which is attached hereto. As set forth in the

Agreement, Consultant reserves the right to amend Exhibit B to reflect changes in the Sale Term for any Store.

3. Miscellaneous.

3.1 Counterparts. This Amendment may be executed by the Parties on any number of separate counterparts, by facsimile or email, and all of those counterparts taken together will be deemed to constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signatures are physically attached to the same document. A facsimile or portable document format (“.pdf”) signature page will constitute an original for the purposes of this section.

3.2 Ratification. Except as amended hereby, the Agreement remains in full force and effect.

3.3 GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE (WITHOUT REFERENCE TO THE CONFLICTS OF LAW PROVISIONS THEREIN).

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

B. Riley Retail Solutions, LLC

Timothy J. Shilling

By: Timothy J. Shilling
Its: Executive Vice President

Conn Appliances, Inc.

Timothy Santo

By: Timothy Santo
Its: EVP & CFO

Amended Exhibit A

Amended Store List

Conn's Home Plus / Badcock Furniture

Store List
Exhibit A

Str	Banner	Type	Address	City	ST	Zip
WSB-131	Badcock	Corporate	2000 34TH ST N	St. Petersburg	FL	33713
WSB-137	Badcock	Corporate	304 N Main Street	Cedartown	GA	30125
WSB-202	Badcock	Corporate	291 New Shackie Island Road	Hendersonville	TN	37075
WSB-203	Badcock	Corporate	3701 Austell Road, Ste 101	Marietta	GA	30008
WSB-204	Badcock	Corporate	100 Siler XING	Siler City	NC	27344
WSB-205	Badcock	Corporate	860 Duluth Hwy, Ste 110	Lawrenceville	GA	30043
WSB-206	Badcock	Corporate	1558 Julian R. Allsbrook Hwy.	Roanoke Rapids	NC	27870
WSB-208	Badcock	Corporate	1301 W Broad Street	Waynesboro	VA	22980
WSB-321	Badcock	Corporate	1264 NW Broad Street	Murfreesboro	TN	37129
WSB-354	Badcock	Corporate	5856 Brainerd Road	Chattanooga	TN	37411
WSB-491	Badcock	Corporate	5659 Calhoun Memorial Hwy	Easley	SC	29640
WSB-496	Badcock	Corporate	966 Big A Road S	Toccoa	GA	30577
WSB-519	Badcock	Corporate	258 W Fl. William Street	Sylacauga	AL	35150
WSB-810	Badcock	Corporate	1947 Madison Street, Ste D	Clarksville	TN	37043
WSB-825	Badcock	Corporate	4150 W Vernon Ave, Ste A	Kinston	NC	28504
WSB-839	Badcock	Corporate	613 N Martin Street, Ste. 400	Pell City	AL	35125
WSB-852	Badcock	Corporate	6021 S Blvd	Charlotte	NC	28217
WSB-856	Badcock	Corporate	5107 Wrightsboro Road	Grovetown	GA	30813
WSB-859	Badcock	Corporate	22991 John T. Reid Pkwy	Scottsboro	AL	35768
WSB-860	Badcock	Corporate	372 Palisades Blvd, Ste 24-B	Homewood	AL	35209
WSB-861	Badcock	Corporate	49 Cumberland Plaza	Crossville	TN	38555
WSB-862	Badcock	Corporate	101 Cracker Barrel Road	Fort Payne	AL	35968
WSB-864	Badcock	Corporate	220 W Kings Hwy, Ste C	Eden	NC	27288
WSB-870	Badcock	Corporate	9622 Kingston Pike	Knoxville	TN	37922
WSB-871	Badcock	Corporate	4321 University Drive, Ste B	Huntsville	AL	35816
WSB-872	Badcock	Corporate	7252 Norris Hwy, Ste 110	Knoxville	TN	37918
WSB-874	Badcock	Corporate	714 US Hwy 78E STE 130	Jasper	AL	35501
WSB-888	Badcock	Corporate	7873 S Orange Blossom Trail	Orlando	FL	32809
WSB-889	Badcock	Corporate	1380 E Main Street	Ste 300, Wythe	VA	24382
WSB-890	Badcock	Corporate	7327 Peppers Ferry Blvd, Ste B-1	Fairlawn	VA	24141
WSB-894	Badcock	Corporate	1241 Dabney Drive	Henderson	NC	27536
WSB-895	Badcock	Corporate	1130 E Main Street	Pulaski	VA	24301
WSB-899	Badcock	Corporate	700 N Riverside Drive	Clarksville	TN	37040
WSB-124	Badcock	Corporate	3318 MERCER UNIVERSITY DR	MACON	GA	31204
WSB-129	Badcock	Corporate	1138 S HARRIS ST	SANDERSVILLE	GA	31082
WSB-135	Badcock	Corporate	1409 N FLORIDA AVENUE	LAKELAND	FL	33805
WSB-136	Badcock	Corporate	6625 US HWY 98 NORTH	LAKELAND	FL	33809
WSB-152	Badcock	Corporate	1724 E MAIN ST STE B	PRATTVILLE	AL	36066
WSB-153	Badcock	Corporate	6100 SOUTH FLORIDA AVENUE	LAKELAND	FL	33813
WSB-157	Badcock	Corporate	5435 N 56TH STREET	TAMPA	FL	33610
WSB-166	Badcock	Corporate	6621 MEMORIAL HIGHWAY	TAMPA	FL	33615
WSB-168	Badcock	Corporate	1225 N COMBEE RD	LAKELAND	FL	33801
WSB-201	Badcock	Corporate	1585 N ASPEN STREET	LINCOLNTON	NC	28092
WSB-306	Badcock	Corporate	4370 ATLANTA HWY	ATHENS	GA	30606
WSB-346	Badcock	Corporate	12152 W COLONIAL DR	WINTER GARD	FL	34787
WSB-356	Badcock	Corporate	900 MISSOURI AVE N	LARGO	FL	33770
WSB-488	Badcock	Corporate	2000 CLOWDUS DRIVE	ONEONTA	AL	35121
WSB-632	Badcock	Corporate	6521 N MAIN STREET	JACKSONVILLE	FL	32208
WSB-645	Badcock	Corporate	435 S MAIN STREET	SWAINSBORO	GA	30401
WSB-685	Badcock	Corporate	3213 APALACHEE PKWY	TALLAHASSEE	FL	32311
WSB-725	Badcock	Corporate	124 BEACON DRIVE	WINTERVILLE	NC	28590
WSB-730	Badcock	Corporate	1580 INTERSTATE DR	COOKEVILLE	TN	38501
WSB-733	Badcock	Corporate	119 NASHVILLE HWY STE 115	COLUMBIA	TN	38401
WSB-737	Badcock	Corporate	2116 S GLENBURNIE RD	NEW BERN	NC	28562
WSB-745	Badcock	Corporate	618 WEST 15TH STREET	WASHINGTON	NC	27889
WSB-756	Badcock	Corporate	100 ATLANTA AVE	LYNCHBURG	VA	24502
WSB-760	Badcock	Corporate	525 W BRANDON BLVD	BRANDON	FL	33511
WSB-762	Badcock	Corporate	703 SOUTH EVERS	PLANT CITY	FL	33563
WSB-769	Badcock	Corporate	2200 ML KING ST S	SAINT PETERS	FL	33705
WSB-812	Badcock	Corporate	1802 US HWY 1 SUITE 100	ROCKLEDGE	FL	32955
WSB-817	Badcock	Corporate	1556 E HWY 50	CLERMONT	FL	34711
WSB-844	Badcock	Corporate	2815 HIGHWAY 105 SOUTH	BOONE	NC	28607
WSB-845	Badcock	Corporate	4075 EASTERN BLVD	MONTGOMERY	AL	36116
WSB-865	Badcock	Corporate	7965 TARA BLVD SUITE 330C	JONESBORO	GA	30236
WSB-867	Badcock	Corporate	3500 N ROXBORO ST	DURHAM	NC	27704
WSB-849	Badcock	Corporate	2153 LEJEUNE BLVD SUITE B	JACKSONVILLE	NC	28546
WSB-212	Badcock	Corporate	815 RUSSELL PARKWAY	WARNER ROBI	GA	31088
WSB-635	Badcock	Dealer-S	37 W Montgomery Rd	Savannah	GA	31406
WSB-748	Badcock	Dealer-S	4609 Ogeechee Rd	Savannah	GA	31405
WSB-840	Badcock	Dealer-S	119 W Broadway Blvd	JEFFERSON CI	TN	37760
WSB-850	Badcock	Dealer-S	800 FAIRVIEW ROAD	ASHEVILLE	NC	28803
WSB-869	Badcock	Dealer-S	400 W Blackstock Road	SPARTANBURG	SC	29301
WSB-120	Badcock	Dealer-S	202 Homer Road	COMMERCE	GA	30529
WSB-121	Badcock	Dealer-S	683 MAIN STREET	THOMSON	GA	30824
WSB-122	Badcock	Dealer-S	3134 HIGHWAY 278 NW	COVINGTON	GA	30014
WSB-125	Badcock	Dealer-S	1388 WARREN C COLEMAN	CONCORD	NC	28025
WSB-126	Badcock	Dealer-S	1590 NORTHSIDE DR E	STATESBORO	GA	30458
WSB-128	Badcock	Dealer-S	1750 N TAMAMI TRAIL	NORTH FORT I	FL	33903
WSB-130	Badcock	Dealer-S	1701 ROANOKE RD	LAGRANGE	GA	30240
WSB-132	Badcock	Dealer-S	3001 AIRPORT THRUWAY	COLUMBUS	GA	31909
WSB-134	Badcock	Dealer-S	1405 IRIS DR.	CONYERS	GA	30013
WSB-139	Badcock	Dealer-S	925 NORTH BYPASS EAST	WASHINGTON	GA	30673
WSB-140	Badcock	Dealer-S	1319 W FLOYD BAKER BLVD	GAFFNEY	SC	29341
WSB-142	Badcock	Dealer-S	914 JOE FRANK HARRIS PKWY	CARTERSVILLE	GA	30120
WSB-145	Badcock	Dealer-S	1000 HWY 441 BYPASS	BALDWIN	GA	30511
WSB-146	Badcock	Dealer-S	1707 CHEROKEE AVE SW	CULLMAN	AL	35055
WSB-155	Badcock	Dealer-S	1106 RUCKER BOULEVARD	ENTERPRISE	AL	36330
WSB-159	Badcock	Dealer-S	921 DECATUR PIKE	ATHENS	TN	37303
WSB-160	Badcock	Dealer-S	33050 HWY 43 N	THOMASVILLE	AL	36784
WSB-161	Badcock	Dealer-S	1478 CHESTNUT STREET	ORANGEBURG	SC	29115
WSB-162	Badcock	Dealer-S	501 DAVIS LOOP	OXFORD	AL	36203
WSB-164	Badcock	Dealer-S	1150 SOUTH BOULEVARD	BREWTON	AL	36426
WSB-207	Badcock	Dealer-S	2730 N PINE HILLS RD	ORLANDO	FL	32808
WSB-209	Badcock	Dealer-S	1416 HUNTSVILLE HWY	FAYETTEVILLE	TN	37334
WSB-210	Badcock	Dealer-S	470 S HIGHWAY 29 STE 4	CANTONMENT	FL	32533
WSB-211	Badcock	Dealer-S	3800 REYNOLDA RD STE 180	WINSTON SALI	NC	27106
WSB-213	Badcock	Dealer-S	1215 SILAS CREEK PARKWAY	WINSTON SALI	NC	27127
WSB-214	Badcock	Dealer-S	246 FACTORY AVENUE	ELBA	AL	36323
WSB-215	Badcock	Dealer-S	1315 W SCREVEN STREET	QUITMAN	GA	31643
WSB-218	Badcock	Dealer-S	2301 HWY 17 S Unit -B	N MYRTLE BCH	SC	29582
WSB-219	Badcock	Dealer-S	1399 6TH ST NW	WINTER HAVEN	FL	33881
WSB-220	Badcock	Dealer-S	1676 WEST COLLEGE ST	PULASKI	TN	38478
WSB-221	Badcock	Dealer-S	1000 BROADWAY DR	HATTIESBURG	MS	39401
WSB-222	Badcock	Dealer-S	3600 MAIN ST	JASPER	TN	37347
WSB-223	Badcock	Dealer-S	3800 WEST NEW HAVEN AVE	MELBOURNE	FL	32904
WSB-224	Badcock	Dealer-S	72 SOUTH VALDOSTA RD	LAKELAND	GA	31635
WSB-225	Badcock	Dealer-S	3490 SCHILLINGER ROAD	SEMMES	AL	36575
WSB-226	Badcock	Dealer-S	4430 US HIGHWAY 17	MURRELLS INL	SC	29576
WSB-227	Badcock	Dealer-S	140 SKYLAND DR.	TUSCALOOSA	AL	35405
WSB-228	Badcock	Dealer-S	25665 SIERRA CENTER BLVD	LUTZ	FL	33559
WSB-230	Badcock	Dealer-S	9447 LEM TURNER ROAD	JACKSONVILLE	FL	32208
WSB-231	Badcock	Dealer-S	1435 S ORANGE AVENUE	GREEN CV SPR	FL	32043

Conn's Home Plus / Badcock Furniture

Store List
Exhibit A

Str	Banner	Type	Address	City	ST	Zip
WSB-232	Badcock	Dealer-S	311 S RIDGEWOOD AVENUE	EDGEWATER	FL	32132
WSB-302	Badcock	Dealer-S	1107 HWY 31 SOUTH	BAY MINETTE	AL	36507
WSB-303	Badcock	Dealer-S	717C E LIBERTY	YORK	SC	29745
WSB-308	Badcock	Dealer-S	3347 US HWY 441/27	FRUITLAND PA	FL	34731
WSB-310	Badcock	Dealer-S	8900 KNOX BRIDGE HWY	CANTON	GA	30114
WSB-314	Badcock	Dealer-S	3609 RICHLAND AVE W	AIKEN	SC	29801
WSB-318	Badcock	Dealer-S	321A COLUMBIA AVE	RINCON	GA	31326
WSB-322	Badcock	Dealer-S	713 MAIN ST	LEAKESVILLE	MS	39451
WSB-323	Badcock	Dealer-S	3241 WASHINGTON ROAD	AUGUSTA	GA	30907
WSB-325	Badcock	Dealer-S	1975 COMMERCE DR	KINGSLAND	GA	31548
WSB-327	Badcock	Dealer-S	417 S MAIN STREET	HENDERSONV	NC	28792
WSB-328	Badcock	Dealer-S	761 MADISON STREET	SHELBYVILLE	TN	37160
WSB-329	Badcock	Dealer-S	1429 OHIO AVE NORTH	LIVE OAK	FL	32064
WSB-330	Badcock	Dealer-S	4075 CHARLES HARDY PWKY	DALLAS	GA	30157
WSB-332	Badcock	Dealer-S	736A ST ANDREWS RD	COLUMBIA	SC	29210
WSB-333	Badcock	Dealer-S	200 HOBSON ST STE 39	MC MINNVILLE	TN	37110
WSB-334	Badcock	Dealer-S	1521 WATSON BLVD	WARNER ROBI	GA	31093
WSB-335	Badcock	Dealer-S	745 ALBRIGHT ROAD	ROCK HILL	SC	29730
WSB-336	Badcock	Dealer-S	1702 DARBY DRIVE	FLORENCE	AL	35630
WSB-337	Badcock	Dealer-S	405 BYPASS ROAD	WINCHESTER	TN	37398
WSB-338	Badcock	Dealer-S	2217 BATTLEFIELD PKWY	FORT OGLETH	GA	30742
WSB-339	Badcock	Dealer-S	2623 N COLUMBIA ST	MILLEDGEVILL	GA	31061
WSB-340	Badcock	Dealer-S	850 25TH STREET, NW	CLEVELAND	TN	37311
WSB-345	Badcock	Dealer-S	245 EAST DYKES ST	COCHRAN	GA	31014
WSB-350	Badcock	Dealer-S	1100 E. JOHN SIMS PARKWAY	NICEVILLE	FL	32578
WSB-353	Badcock	Dealer-S	2200 WESTCHESTER DR	HIGH POINT	NC	27262
WSB-360	Badcock	Dealer-S	18885 CORTEZ BLVD	BROOKSVILLE	FL	34601
WSB-364	Badcock	Dealer-S	4825 MOBILE HWY	PENSACOLA	FL	32506
WSB-365	Badcock	Dealer-S	417 ATKINSON STREET	LAURINBURG	NC	28352
WSB-366	Badcock	Dealer-S	160 HAMPTON ST	MCDONOUGH	GA	30253
WSB-367	Badcock	Dealer-S	1839 OPELIKA ROAD	AUBURN	AL	36830
WSB-371	Badcock	Dealer-S	805A W WADE HAMPTON BLVD	GREER	SC	29650
WSB-372	Badcock	Dealer-S	5580 HWY 90 W	THEODORE	AL	36582
WSB-374	Badcock	Dealer-S	21 HARDY COURT	GULFPORT	MS	39507
WSB-376	Badcock	Dealer-S	1525 NW FEDERAL HWY	STUART	FL	34994
WSB-450	Badcock	Dealer-S	410 S CAMELLIA BLVD	FORT VALLEY	GA	31030
WSB-451	Badcock	Dealer-S	1851 N EXPRESSWAY	GRIFFIN	GA	30223
WSB-452	Badcock	Dealer-S	111 OGLETHORPE RD	MONTEZUMA	GA	31063
WSB-454	Badcock	Dealer-S	423 N CENTER STREET	THOMASTON	GA	30286
WSB-455	Badcock	Dealer-S	2505 OLD CHATSWORTH HWY	DALTON	GA	30721
WSB-459	Badcock	Dealer-S	1145 HIGHWAY 64 WEST	MURPHY	NC	28906
WSB-464	Badcock	Dealer-S	1650 ATHENS HWY	MADISON	GA	30650
WSB-466	Badcock	Dealer-S	2215 LEXINGTON RD	ATHENS	GA	30605
WSB-467	Badcock	Dealer-S	114 FORSYTH ST	BARNESVILLE	GA	30204
WSB-469	Badcock	Dealer-S	1084 East Franklin Street	HARTWELL	GA	30643
WSB-471	Badcock	Dealer-S	940 CHESTERFIELD HWY	CHERAW	SC	29520
WSB-472	Badcock	Dealer-S	1202 HWY 9 BY-PASS W	LANCASTER	SC	29720
WSB-473	Badcock	Dealer-S	1506 SKYWAY DRIVE	MONROE	NC	28110
WSB-474	Badcock	Dealer-S	1220 E BROAD ST	ROCKINGHAM	NC	28379
WSB-475	Badcock	Dealer-S	216 HWY 52 SOUTH	WADESBORO	NC	28170
WSB-476	Badcock	Dealer-S	430 ALBEMARLE RD	TROY	NC	27371
WSB-477	Badcock	Dealer-S	206 BROAD STREET	BENNETTSVILL	SC	29512
WSB-478	Badcock	Dealer-S	217 S POPLAR ST	ELIZABETHTO	NC	28337
WSB-481	Badcock	Dealer-S	1950 N ROBERTS AVE	LUMBERTON	NC	28358
WSB-482	Badcock	Dealer-S	1210 S MADISON ST	WHITEVILLE	NC	28472
WSB-483	Badcock	Dealer-S	515 A SOUTH JEFFERSON ST	ATHENS	AL	35611
WSB-484	Badcock	Dealer-S	2019 6TH AVE SE STE 9	DECATUR	AL	35601
WSB-486	Badcock	Dealer-S	416 HWY 12 W	STARKVILLE	MS	39759
WSB-489	Badcock	Dealer-S	1520 E GREENVILLE ST	ANDERSON	SC	29621
WSB-494	Badcock	Dealer-S	327 E 2ND STREET	JACKSON	GA	30233
WSB-499	Badcock	Dealer-S	716 HWY 28 BY-PASS	ABBEVILLE	SC	29620
WSB-501	Badcock	Dealer-S	1302 BY-PASS 72 NE	GREENWOOD	SC	29649
WSB-508	Badcock	Dealer-S	1930 US 70 EAST	MARION	NC	28752
WSB-509	Badcock	Dealer-S	1404 SOUTH LAFAYETTE	SHELBY	NC	28152
WSB-510	Badcock	Dealer-S	356 NORTH MAIN ST	WAYNESVILLE	NC	28786
WSB-512	Badcock	Dealer-S	201 W MAIN STREET	MANCHESTER	GA	31816
WSB-513	Badcock	Dealer-S	54 Bullsboro Drive	NEWNAN	GA	30263
WSB-514	Badcock	Dealer-S	535A BANKHEAD HWY	CARROLLTON	GA	30117
WSB-515	Badcock	Dealer-S	3075 HIGHWAY 431	ROANOKE	AL	36274
WSB-516	Badcock	Dealer-S	3418 20TH AVE	VALLEY	AL	36854
WSB-523	Badcock	Dealer-S	230 BULTMAN DRIVE	SUMTER	SC	29150
WSB-525	Badcock	Dealer-S	2300 CHURCH ST UNIT 5	CONWAY	SC	29526
WSB-526	Badcock	Dealer-S	216 RADFORD BLVD	DILLON	SC	29536
WSB-527	Badcock	Dealer-S	310 HARTSVILLE CROSSING	HARTSVILLE	SC	29550
WSB-528	Badcock	Dealer-S	209 NORTH CHURCH ST	LAKE CITY	SC	29560
WSB-529	Badcock	Dealer-S	2236F E Highway 76	MARION	SC	29571
WSB-601	Badcock	Dealer-S	910 SOUTH 7TH ST	CORDELE	GA	31015
WSB-602	Badcock	Dealer-S	1927 HWY 441 S	DUBLIN	GA	31021
WSB-603	Badcock	Dealer-S	6377 OAK STREET	EASTMAN	GA	31023
WSB-605	Badcock	Dealer-S	903 N SUWANNEE AVE	BRANFORD	FL	32008
WSB-606	Badcock	Dealer-S	1480 NW 25TH AVE	CHIEFLAND	FL	32626
WSB-607	Badcock	Dealer-S	16302 SE HWY 19	CROSS CITY	FL	32628
WSB-609	Badcock	Dealer-S	1225 S JEFFERSON ST	PERRY	FL	32348
WSB-610	Badcock	Dealer-S	1611 NORTH BRIDGE STREET	ELKIN	NC	28621
WSB-611	Badcock	Dealer-S	4325 NW 13TH STREET	GAINESVILLE	FL	32609
WSB-612	Badcock	Dealer-S	18759 HIGH SPRINGS MAIN	HIGH SPRINGS	FL	32643
WSB-615	Badcock	Dealer-S	150 S. SUNCOAST BLVD	CRYSTAL RIVE	FL	34429
WSB-616	Badcock	Dealer-S	20319 E PENNSYLVANIA AVE	DUNNELLO	FL	34432
WSB-618	Badcock	Dealer-S	2211 SW 19TH AVE RD	OCALA	FL	34471
WSB-619	Badcock	Dealer-S	530 E NOBLE AVE	WILLISTON	FL	32696
WSB-621	Badcock	Dealer-S	382 NW MAIN BLVD	LAKE CITY	FL	32055
WSB-622	Badcock	Dealer-S	701 S 5TH STREET	MACCLENNEY	FL	32063
WSB-623	Badcock	Dealer-S	464 S DUVAL AVE	MADISON	FL	32340
WSB-624	Badcock	Dealer-S	2205 WILBORN AVE.	SOUTH BOSTC	VA	24592
WSB-625	Badcock	Dealer-S	710 E MAIN STREET	LAKE BUTLER	FL	32054
WSB-626	Badcock	Dealer-S	1946 KINGSLEY AVENUE	ORANGE PARK	FL	32073
WSB-627	Badcock	Dealer-S	1000 ST JOHNS AVE	PALATKA	FL	32177
WSB-628	Badcock	Dealer-S	14739 US HWY 301 SOUTH	STARKE	FL	32091
WSB-631	Badcock	Dealer-S	10965 BEACH BLVD	JACKSONVILLE	FL	32246
WSB-633	Badcock	Dealer-S	1762 TREE BOULEVARD	SAINT AUGUST	FL	32084
WSB-636	Badcock	Dealer-S	428 SARALAND BLVD S	SARALAND	AL	36571
WSB-637	Badcock	Dealer-S	1201 US HWY 98	DAPHNE	AL	36526
WSB-638	Badcock	Dealer-S	510 S MCKENZIE ST	FOLEY	AL	36535
WSB-639	Badcock	Dealer-S	594 N. MAIN ST.	CRESTVIEW	FL	32536
WSB-640	Badcock	Dealer-S	981 U.S. HWY 90 W	DEFUNIAK SP	FL	32433
WSB-641	Badcock	Dealer-S	512 MARY ESTHER CUTOFF NW	FT WALTON B	FL	32548
WSB-642	Badcock	Dealer-S	4815 GLOVER LANE	MILTON	FL	32570
WSB-646	Badcock	Dealer-S	307 E 1ST ST	VIDALIA	GA	30474
WSB-647	Badcock	Dealer-S	247 ROBERT SMALLS PARKWAY	BEAUFORT	SC	29906
WSB-648	Badcock	Dealer-S	1381 WEST ELM STREET	HAMPTON	SC	29924
WSB-652	Badcock	Dealer-S	8990 Patterson St	Barnwell	SC	29812
WSB-653	Badcock	Dealer-S	1245 NORTH FRASER ST	GEORGETOW	SC	29440

Conn's Home Plus / Badcock Furniture

Store List
Exhibit A

Str	Banner	Type	Address	City	ST	Zip
WSB-655	Badcock	Dealer-S	304 N IVANHOE DR	WALTERBORO	SC	29488
WSB-656	Badcock	Dealer-S	827 N WESTOVER BLVD	ALBANY	GA	31707
WSB-657	Badcock	Dealer-S	1607 E LAMAR ST	AMERICUS	GA	31709
WSB-658	Badcock	Dealer-S	640 E WASHINGTON AVE	ASHBURN	GA	31714
WSB-659	Badcock	Dealer-S	523 FORRESTER DR SE	DAWSON	GA	39842
WSB-660	Badcock	Dealer-S	622 E FRANKLIN STREET	SYLVESTER	GA	31791
WSB-661	Badcock	Dealer-S	1603 E SHOTWELL ST	BAINBRIDGE	GA	39819
WSB-662	Badcock	Dealer-S	11210 COLUMBIA ST	BLAKELY	GA	39823
WSB-663	Badcock	Dealer-S	302 S WILEY AVE	DONALSONVIL	GA	39845
WSB-664	Badcock	Dealer-S	404 SOUTH SHERMAN	FITZGERALD	GA	31750
WSB-665	Badcock	Dealer-S	726 WEST SECOND ST	TIFTON	GA	31794
WSB-666	Badcock	Dealer-S	2961 HWY 84 EAST	CAIRO	GA	39828
WSB-667	Badcock	Dealer-S	500 US 19 SOUTH	CAMILLA	GA	31730
WSB-668	Badcock	Dealer-S	530 EAST CRAWFORD ST	COLQUITT	GA	39837
WSB-669	Badcock	Dealer-S	404 LANE ST SE	MOULTRIE	GA	31768
WSB-671	Badcock	Dealer-S	14591 US HWY 19 SOUTH	THOMASVILLE	GA	31792
WSB-672	Badcock	Dealer-S	3204 S EUFAULA AVE	EUFAULA	AL	36027
WSB-673	Badcock	Dealer-S	4165 ROSS CLARK CIRCLE	DOTHAN	AL	36303
WSB-674	Badcock	Dealer-S	1548 US-231 SUITE C	OZARK	AL	36360
WSB-675	Badcock	Dealer-S	817 S 3 NOTCH STREET	TROY	AL	36081
WSB-676	Badcock	Dealer-S	1702 SOUTH WAUKESHA	BONIFAY	FL	32425
WSB-677	Badcock	Dealer-S	217 W WASHINGTON ST	CHATTAHOOC	FL	32324
WSB-678	Badcock	Dealer-S	1218 MAIN STREET	CHIPLEY	FL	32428
WSB-679	Badcock	Dealer-S	4102 WEST LAFAYETTE	MARIANNA	FL	32446
WSB-680	Badcock	Dealer-S	304 W JEFFERSON ST	QUINCY	FL	32351
WSB-681	Badcock	Dealer-S	20291 CENTRAL AVE W	BLOUNTSTOW	FL	32424
WSB-682	Badcock	Dealer-S	2591 CRAWFORDVILLE HWY	CRAWFORDVILLE	FL	32327
WSB-683	Badcock	Dealer-S	204 S MAIN ST	HAVANA	FL	32333
WSB-684	Badcock	Dealer-S	405 S JEFFERSON ST	MONTICELLO	FL	32344
WSB-686	Badcock	Dealer-S	197 HIGHWAY 98	EASTPOINT	FL	32328
WSB-687	Badcock	Dealer-S	544 N TYNDALL PKWY	PANAMA CITY	FL	32404
WSB-688	Badcock	Dealer-S	617 OHIO AVE	LYNN HAVEN	FL	32444
WSB-690	Badcock	Dealer-S	515 CECIL G COSTIN SR	PORT SAINT J	FL	32456
WSB-691	Badcock	Dealer-S	1415 MLK JR EXPY	ANDALUSIA	AL	36420
WSB-692	Badcock	Dealer-S	501 EAST WATER ST	GENEVA	AL	36340
WSB-693	Badcock	Dealer-S	5264 BROWN STREET	GRACEVILLE	FL	32440
WSB-695	Badcock	Dealer-S	1104 S HUTCHINSON AVE	ADEL	GA	31620
WSB-696	Badcock	Dealer-S	542057 US HWY 1	CALLAHAN	FL	32011
WSB-697	Badcock	Dealer-S	700 N PETERSON AVE	DOUGLAS	GA	31533
WSB-698	Badcock	Dealer-S	700 TIFTON ROAD	NASHVILLE	GA	31639
WSB-699	Badcock	Dealer-S	3406 N VALDOSTA ROAD	VALDOSTA	GA	31602
WSB-700	Badcock	Dealer-S	106 E PARKER ST, SUITE #6	BAXLEY	GA	31513
WSB-701	Badcock	Dealer-S	908 N VETERANS BLVD	GLENNVILLE	GA	30427
WSB-702	Badcock	Dealer-S	104 SANDY RUN DR	HINESVILLE	GA	31313
WSB-703	Badcock	Dealer-S	1450 W MARION AVE	LAKE PARK	GA	31636
WSB-704	Badcock	Dealer-S	606 PENDLETON ST	WAYCROSS	GA	31501
WSB-705	Badcock	Dealer-S	1808 NORWICH ST	BRUNSWICK	GA	31520
WSB-707	Badcock	Dealer-S	13 Elm Street	FOLKSTON	GA	31537
WSB-708	Badcock	Dealer-S	205 N MACON ST	JESUP	GA	31545
WSB-711	Badcock	Dealer-S	18179 S THIRD ST	CITRONELLE	AL	36522
WSB-712	Badcock	Dealer-S	306 WEST COMMERCE ST	GREENVILLE	AL	36037
WSB-713	Badcock	Dealer-S	1392 E FRANKLIN BLVD	GASTONIA	NC	28054
WSB-715	Badcock	Dealer-S	3304 AUGUSTA RD	GREENVILLE	SC	29605
WSB-716	Badcock	Dealer-S	841 NC 24/27 BYP E	ALBEMARLE	NC	28001
WSB-717	Badcock	Dealer-S	1311 N SANDHILLS BLVD	ABERDEEN	NC	28315
WSB-718	Badcock	Dealer-S	4511 N MAIN STREET	SHALLOTTE	NC	28470
WSB-721	Badcock	Dealer-S	3710 HOSPITAL RD	PASCAGOULA	MS	39581
WSB-726	Badcock	Dealer-S	217 MACON PLAZA DR	FRANKLIN	NC	28734
WSB-728	Badcock	Dealer-S	1946-B S HORNER BLVD	SANFORD	NC	27330
WSB-732	Badcock	Dealer-S	76 E FRONTAGE ROAD	LUCEDALE	MS	39452
WSB-734	Badcock	Dealer-S	6737 MARKET ST	WILMINGTON	NC	28405
WSB-736	Badcock	Dealer-S	301 LOWES DRIVE	DANVILLE	VA	24540
WSB-738	Badcock	Dealer-S	3011 NC HWY 42 WEST	WILSON	NC	27893
WSB-739	Badcock	Dealer-S	837 E DIXIE DRIVE	ASHEBORO	NC	27203
WSB-740	Badcock	Dealer-S	3356 S CHURCH ST	BURLINGTON	NC	27215
WSB-741	Badcock	Dealer-S	3407-C WEST GATE CITY	GREENSBORO	NC	27407
WSB-742	Badcock	Dealer-S	38 SOUTH PARK DRIVE	GARNER	NC	27529
WSB-744	Badcock	Dealer-S	1473 N WESLEYAN BLVD	ROCKY MOUN'	NC	27804
WSB-750	Badcock	Dealer-S	1350 N BROADWAY (US 98)	BARTOW	FL	33830
WSB-751	Badcock	Dealer-S	1401 HWY 17 NORTH	FORT MEADE	FL	33841
WSB-752	Badcock	Dealer-S	500 N SCENIC HWY	FROSTPROOF	FL	33843
WSB-753	Badcock	Dealer-S	126 HWY 60 W	LAKE WALES	FL	33853
WSB-754	Badcock	Dealer-S	765 N 6TH AVE	WAUCHULA	FL	33873
WSB-755	Badcock	Dealer-S	10737 SE US HWY 441	BELLEVUE	FL	34420
WSB-757	Badcock	Dealer-S	421 W BELT AVE	BUSHNELL	FL	33513
WSB-758	Badcock	Dealer-S	3690 E GULF TO LAKE	INVERNESS	FL	34453
WSB-759	Badcock	Dealer-S	350 SHOPPING CENTER DR	WILDWOOD	FL	34785
WSB-761	Badcock	Dealer-S	14009 7TH STREET	DADE CITY	FL	33525
WSB-764	Badcock	Dealer-S	5500 6TH STREET	ZEPHYRHILLS	FL	33542
WSB-766	Badcock	Dealer-S	7305 State Road 54	NEW PORT RIC	FL	34653
WSB-768	Badcock	Dealer-S	1510 COLLEGE AVE E	RUSKIN	FL	33570
WSB-770	Badcock	Dealer-S	225 SW AVE B	BELLE GLADE	FL	33430
WSB-771	Badcock	Dealer-S	117 S. BOND ST	CLEWISTON	FL	33440
WSB-773	Badcock	Dealer-S	512 NORTHWEST PARK ST	OKEECHOBEE	FL	34972
WSB-776	Badcock	Dealer-S	6176 BABCOCK ST SE	PALM BAY	FL	32909
WSB-777	Badcock	Dealer-S	5045 US 1 SOUTH	FORT PIERCE	FL	34982
WSB-779	Badcock	Dealer-S	1610 US HWY 1	VERO BEACH	FL	32960
WSB-780	Badcock	Dealer-S	594 US 27 NORTH	LAKE PLACID	FL	33852
WSB-781	Badcock	Dealer-S	2051 N HARBOR CITY B	MELBOURNE	FL	32935
WSB-783	Badcock	Dealer-S	1917 US 27 NORTH	SEBRING	FL	33870
WSB-785	Badcock	Dealer-S	521 HUGHES ROAD	AUBURNDALE	FL	33823
WSB-786	Badcock	Dealer-S	607 U.S. HWY 27 N	AVON PARK	FL	33825
WSB-787	Badcock	Dealer-S	35495 HWY 27	HAINES CITY	FL	33844
WSB-789	Badcock	Dealer-S	1515 HIGHWAY 17 N	EAGLE LAKE	FL	33839
WSB-791	Badcock	Dealer-S	1750 E IRLA BRONSON MEM	SAINT CLOUD	FL	34771
WSB-793	Badcock	Dealer-S	14 W HICKORY ST	ARCADIA	FL	34266
WSB-795	Badcock	Dealer-S	6920 CORTEZ RD WEST	BRADENTON	FL	34210
WSB-796	Badcock	Dealer-S	1529 US 301	PALMETTO	FL	34221
WSB-798	Badcock	Dealer-S	136 HANCOCK BRIDGE PKY	CAPE CORAL	FL	33990
WSB-800	Badcock	Dealer-S	3608 FOWLER ST	FORT MYERS	FL	33901
WSB-801	Badcock	Dealer-S	1039 TAMiami TRAIL	PORT CHARLO	FL	33953
WSB-806	Badcock	Dealer-S	575 S MAIN ST	LABELLE	FL	33935
WSB-807	Badcock	Dealer-S	2665 DAVIS BLVD	NAPLES	FL	34104
WSB-808	Badcock	Dealer-S	1530 MASON AVENUE	DAYTONA BEA	FL	32117
WSB-809	Badcock	Dealer-S	1631 S STATE ROAD 15-A	DELAND	FL	32720
WSB-811	Badcock	Dealer-S	650 LAKE MINNIE DRIVE	SANFORD	FL	32773
WSB-815	Badcock	Dealer-S	705 S. MAIN ST STE G	KING	NC	27021
WSB-818	Badcock	Dealer-S	400 N GROVE STREET	EUSTIS	FL	32726
WSB-819	Badcock	Dealer-S	2901 Cashwell Drive	GOLDSBORO	NC	27534
WSB-820	Badcock	Dealer-S	21 E MAIN STREET	TITUSVILLE	FL	32796
WSB-821	Badcock	Dealer-S	9909 STATE ROAD 52	HUDSON	FL	34669
WSB-822	Badcock	Dealer-S	10213 S JACOB SMART BLVD	RIDGELAND	SC	29936

Conn's Home Plus / Badcock Furniture

Store List
Exhibit A

Str	Banner	Type	Address	City	ST	Zip
WSB-824	Badcock	Dealer-S	735 HELEN HWY	CLEVELAND	GA	30528
WSB-826	Badcock	Dealer-S	150 GILES DR	BOILING SPRIN	SC	29316
WSB-828	Badcock	Dealer-S	1117 YADKINVILLE ROAD	MOCKSVILLE	NC	27028
WSB-829	Badcock	Dealer-S	2445 N CENTER STREET	HICKORY	NC	28601
WSB-830	Badcock	Dealer-S	1422 BOONE HILL ROAD	SUMMERVILLE	SC	29483
WSB-831	Badcock	Dealer-S	189 HICKORY TREE RD	WINSTON SALI	NC	27107
WSB-832	Badcock	Dealer-S	2522 DAVID H MCLEOD BLVD	FLORENCE	SC	29501
WSB-833	Badcock	Dealer-S	1130 W PINE STREET	MOUNT AIRY	NC	27030
WSB-834	Badcock	Dealer-S	1720 SAM RITTENBERG BLVD	CHARLESTON	SC	29407
WSB-836	Badcock	Dealer-S	1686 E ANDREW JOHNSON	GREENEVILLE	TN	37745
WSB-838	Badcock	Dealer-S	1450 S KINGS HWY	MYRTLE BEAC	SC	29577
WSB-841	Badcock	Dealer-S	2507 WEST MEIGHAN BLVD	GADSDEN	AL	35904
WSB-842	Badcock	Dealer-S	1935 JAKE ALEXANDER	SALISBURY	NC	28147
WSB-843	Badcock	Dealer-S	721 E CUMBERLAND STREET	DUNN	NC	28334
WSB-846	Badcock	Dealer-S	2730 DECKER BLVD	COLUMBIA	SC	29206
WSB-847	Badcock	Dealer-S	6900 CLIFFDALE ROAD	FAYETTEVILLE	NC	28314
WSB-848	Badcock	Dealer-S	3642 RAMSEY STREET	FAYETTEVILLE	NC	28311
WSB-851	Badcock	Dealer-S	2507 REDMOND CIRCLE	ROME	GA	30165
WSB-854	Badcock	Dealer-S	219-B E. PLAZA DRIVE	MOORESVILLE	NC	28115
WSB-855	Badcock	Dealer-S	1228 WILSON ROAD	NEWBERRY	SC	29108
WSB-858	Badcock	Dealer-S	5900 RIVERS AVENUE	CHARLESTON	SC	29406
WSB-863	Badcock	Dealer-S	1460 EUCLID AVE	BRISTOL	VA	24201
WSB-866	Badcock	Dealer-S	917 EAST MAIN STREET	LAURENS	SC	29360
WSB-868	Badcock	Dealer-S	732 WEST MAIN STREET	LEXINGTON	SC	29072
WSB-873	Badcock	Dealer-S	4610 CLYDE MORRIS BLVD	PORT ORANGE	FL	32129
WSB-875	Badcock	Dealer-S	3108 EAST OAKLAND AVE	JOHNSON CITY	TN	37601
WSB-876	Badcock	Dealer-S	409 SOUTHEAST BLVD	CLINTON	NC	28328
WSB-878	Badcock	Dealer-S	3901 CAPITAL BOULEVARD	RALEIGH	NC	27604
WSB-879	Badcock	Dealer-S	5367 WOODBINE ROAD	MILTON	FL	32571
WSB-880	Badcock	Dealer-S	2501-A W MOODY BLVD	FLAGLER BEAC	FL	32136
WSB-881	Badcock	Dealer-S	5810-3 NORMANDY BLVD	JACKSONVILLE	FL	32205
WSB-882	Badcock	Dealer-S	1227 CHEROKEE RD	ALEXANDER C	AL	35010
WSB-883	Badcock	Dealer-S	406 E. MARTINTOWN RD	NORTH AUGUSTA	SC	29841
WSB-884	Badcock	Dealer-S	234 COLE AVE	RAEFORD	NC	28376
WSB-885	Badcock	Dealer-S	375 W LINCOLN ST	TULLAHOMA	TN	37388
WSB-891	Badcock	Dealer-S	2614 ENTERPRISE RD	ORANGE CITY	FL	32763
WSB-892	Badcock	Dealer-S	1704 N FRONTAGE RD	MERIDIAN	MS	39301
WSB-893	Badcock	Dealer-S	300 SOUTHWEST HWY 80	POOLER	GA	31322
WSB-896	Badcock	Dealer-S	1124 S POLLOCK STREET	SELMA	NC	27576
WSB-897	Badcock	Dealer-S	771 SOUTH ORANGE BLOSSOM	APOPKA	FL	32703
WSB-898	Badcock	Dealer-S	2523 OLD VINELAND RD	KISSIMMEE	FL	34746
29	Conn's	Conn's	1020 WEST NASA ROAD	WEBSTER	TX	77598
71	Conn's	Conn's	11051 NORTHWEST FREEWAY	HOUSTON	TX	77092
81	Conn's	Conn's	11250 NORTH CENTRAL EXPY	DALLAS	TX	75243
83	Conn's	Conn's	2422 S STEMMONS FWY	LEWISVILLE	TX	75067
97	Conn's	Conn's	4351 DFW TURNPIKE #300	DALLAS	TX	75211
111	Conn's	Conn's	MIDLAND CENTER SHOPPING C	OKLAHOMA CI	OK	73112
116	Conn's	Conn's	1615 PENN PARK BLVD	OKLAHOMA CI	OK	73159
123	Conn's	Conn's	5530 E BROADWAY BLVD	TUCSON	AZ	85711
127	Conn's	Conn's	10143 E 71 ST	TULSA	OK	74133
130	Conn's	Conn's	5000 S ARIZONA MILLS CIR	TEMPE	AZ	85282
135	Conn's	Conn's	1190 S. CASTLE DOME AVE	YUMA	AZ	85364
136	Conn's	Conn's	7081 YOREE DR	SHREVEPORT	LA	71105
143	Conn's	Conn's	2820 W. CHANDLER BLVD	CHANDLER	AZ	85224
145	Conn's	Conn's	60 S ABILENE	AURORA	CO	80012
147	Conn's	Conn's	7360 W 52ND AV	ARVADA	CO	80002
148	Conn's	Conn's	3742 W RIVER ROAD	TUCSON	AZ	85741
149	Conn's	Conn's	3950 RIVER POINT PARKWAY	ENGLEWOOD	CO	80110
151	Conn's	Conn's	1655 GALLATIN PIKE NORTH	MADISON	TN	37115
154	Conn's	Conn's	2820 WEST DUNLAP	PHOENIX	AZ	85051
157	Conn's	Conn's	151 N PETERS RD	KNOXVILLE	TN	37923
159	Conn's	Conn's	1051 E COUNTY LINE RD	JACKSON	MS	39211
161	Conn's	Conn's	3525 RIVERDALE ROAD	MEMPHIS	TN	38115
164	Conn's	Conn's	2530 DAVID MCLEOD	FLORENCE	SC	29501
173	Conn's	Conn's	120 BOCKMAN DR	FORT COLLINS	CO	80525
174	Conn's	Conn's	345 N ACADEMY BLVD	COLORADO SF	CO	80909
177	Conn's	Conn's	9567 SOUTH BOULEVARD	CHARLOTTE	NC	28273
183	Conn's	Conn's	550 E 102ND AVE	DENVER	CO	80229
189	Conn's	Conn's	3260 AUSTIN PEAY HIGHWAY	MEMPHIS	TN	38128
194	Conn's	Conn's	6921 E ADMIRAL PL	TULSA	OK	74115
197	Conn's	Conn's	5704 E. INDEPENDENCE BLVD	CHARLOTTE	NC	28212
199	Conn's	Conn's	ARCADIA CROSSING	PHOENIX	AZ	85018
201	Conn's	Conn's	570 MAIN STREET	SOUTHAVEN	MS	38671
202	Conn's	Conn's	3508 GATE CITY BLVD	GREENSBORO	NC	27407
203	Conn's	Conn's	3650 MILLHAVEN RD	MONROE	LA	71203
205	Conn's	Conn's	4960 CENTRE POINTE DRIVE	NORTH CHARL	SC	29418
211	Conn's	Conn's	3437 MASONIC DR	ALEXANDRIA	LA	71301
214	Conn's	Conn's	4969 NINE MILE RD	RICHMOND	VA	23223
224	Conn's	Conn's	2900 E MILLBROOK ROAD	RALEIGH	NC	27604
237	Conn's	Conn's	2550 AIRLINE BLVD.	PORTSMOUTH	VA	23701
238	Conn's	Conn's	3421 VIRGINIA BEACH BLVD	VIRGINIA BEAC	VA	23452
240	Conn's	Conn's	1082 W. MERCURY BLVD	HAMPTON	VA	23666
244	Conn's	Conn's	10780 N. MALL DRIVE	BATON ROUGE	LA	70809
251	Conn's	Conn's	120 SOUTHGATE SQUARE	COLONIAL HEI	VA	23834
253	Conn's	Conn's	9530 PARKWAY EAST ROEBUCK	BIRMINGHAM	AL	35215
255	Conn's	Conn's	150 NORTHSORE BOULEVARD	SLIDELL	LA	70460
258	Conn's	Conn's	4200 S. FREEWAY	FORT WORTH	TX	76115
272	Conn's	Conn's	4495 14TH STREET W.	BRADENTON	FL	34207
280	Conn's	Conn's	3908 W HILLSBOROUGH AVE	TAMPA	FL	33614
281	Conn's	Conn's	105 W VINE STREET	KISSIMMEE	FL	34741
284	Conn's	Conn's	7407 WEST COLONIAL DRIVE	ORLANDO	FL	32818
285	Conn's	Conn's	2628 EAST COLONIAL DRIVE	ORLANDO	FL	32803
287	Conn's	Conn's	3915-A KELL BLVD	WICHITA FALL	TX	76308
291	Conn's	Conn's	1631 FLORIDA MALL AVE	ORLANDO	FL	32809
292	Conn's	Conn's	810 SAXON BLVD	ORANGE CITY	FL	32763
293	Conn's	Conn's	2800 SW 24TH AVE.	OCALA	FL	34471
294	Conn's	Conn's	9642 US HIGHWAY 19 NORTH	PORT RICHEY	FL	34668
295	Conn's	Conn's	5431 N INTERSTATE 35	AUSTIN	TX	78723
296	Conn's	Conn's	2500 W INTERNATIONAL	DAYTONA BEA	FL	32114
297	Conn's	Conn's	130 E.ALTAMONTE DRIVE	ALTAMONTE S	FL	32701
298	Conn's	Conn's	2315 RICHMOND ROAD	TEXARKANA	TX	75503
302	Conn's	Conn's	7300 US HIGHWAY 19 N	PINELLAS PAR	FL	33781
304	Conn's	Conn's	1825 ROCKBRIDGE ROAD	STONE MOUNT	GA	30087
305	Conn's	Conn's	548 JOHN ROSS PARKWAY	ROCK HILL	SC	29730
307	Conn's	Conn's	3890 WEST 18TH AVE	HIALEAH	FL	33012
308	Conn's	Conn's	1098 BULLSBORO DRIVE	NEWNAN	GA	30265
309	Conn's	Conn's	4340 OKEECHOBEE	WEST PALM BI	FL	33409
311	Conn's	Conn's	9278 ARLINGTON EXPRESSWAY	JACKSONVILLE	FL	32225
313	Conn's	Conn's	1779 MARTIN LUTHER KING	HOUMA	LA	70360
318	Conn's	Conn's	1433 S BABCOCK STREET	MELBOURNE	FL	32901
319	Conn's	Conn's	9903 S. MILITARY TRAIL	BOYNTON BEA	FL	33436
321	Conn's	Conn's	500 N. UNIVERSITY DRIVE	HOLLYWOOD	FL	33024

Conn's Home Plus / Badcock Furniture

Store List
Exhibit A

Str	Banner	Type	Address	City	ST	Zip
269	Conn's	Conn's	7171 N. DAVIS, SUITE 300	PENSACOLA	FL	32504
290	Conn's	Conn's	5776 Stemmons Dr	San Antonio	TX	78238
271	Conn's	Conn's	3250 AIRPORT BLVD	MOBILE	AL	36608
242	Conn's	Conn's	5245 VETERANS MEMORIAL	METAIRIE	LA	70006
241	Conn's	Conn's	2424 MANHATTAN BLVD	HARVEY	LA	70058
11	Conn's	Conn's	3316 AMBASSADOR CAFFERY	LAFAYETTE	LA	70506
9	Conn's	Conn's	8888 AIRLINE HIGHWAY	BATON ROUGE	LA	70815
236	Conn's	Conn's	3168 S. HIGHWAY 161	GRAND PRAIRI	TX	75052
86	Conn's	Conn's	800 W. 15TH ST	PLANO	TX	75075
84	Conn's	Conn's	2021 TOWN EAST BLVD	MESQUITE	TX	75149
89	Conn's	Conn's	3450 BAINBRIDGE DR	DALLAS	TX	75237
288	Conn's	Conn's	3510 MCCANN RD	LONGVIEW	TX	75605
249	Conn's	Conn's	4931 S BROADWAY AVE	TYLER	TX	75703
94	Conn's	Conn's	137 MERCHANTS ROW #125	ARLINGTON	TX	76018
110	Conn's	Conn's	12850 S FREEWAY	BURLESON	TX	76028
88	Conn's	Conn's	900 NE LOOP 820	HURST	TX	76053
92	Conn's	Conn's	4617 S HULEN ST	FORT WORTH	TX	76132
121	Conn's	Conn's	6592 LAKE WORTH BLVD	FORT WORTH	TX	76135
274	Conn's	Conn's	2201 S INTERSTATE 35	DENTON	TX	76205
139	Conn's	Conn's	2510 S. SONCY ROAD	AMARILLO	TX	79124
162	Conn's	Conn's	6052 MARSHA SHARP FREEWAY	LUBBOCK	TX	79407
273	Conn's	Conn's	3725 CATCLAW DRIVE	ABILENE	TX	79606
267	Conn's	Conn's	750 SUNLAND PARK DRIVE	EL PASO	TX	79912
118	Conn's	Conn's	6101 GATEWAY WEST	EL PASO	TX	79925
176	Conn's	Conn's	1971 ZARAGOZA ROAD	EL PASO	TX	79938
120	Conn's	Conn's	700 S TELSHORE BLVD	LAS CRUCES	NM	88011
276	Conn's	Conn's	8401 FL 33	LAKELAND	FL	33809
6	Conn's	Conn's	3401 DEREK DR	LAKE CHARLE	LA	70607
79	Conn's	Conn's	3047 S JOHN REDDITT DRIVE	LUFKIN	TX	75904
26	Conn's	Conn's	13337 I-H 10	HOUSTON	TX	77015
27	Conn's	Conn's	4446 NORTH FREEWAY	HOUSTON	TX	77022
129	Conn's	Conn's	9567 S MAIN STREET	HOUSTON	TX	77025
17	Conn's	Conn's	8201 S. GESSNER	HOUSTON	TX	77036
316	Conn's	Conn's	9700 N. FREEWAY	HOUSTON	TX	77037
25	Conn's	Conn's	7736 FM 1960	HOUSTON	TX	77070
266	Conn's	Conn's	1401 Rankin Rd	Houston	TX	77073
18	Conn's	Conn's	10025 ALMEDA GENOA ROAD	HOUSTON	TX	77075
78	Conn's	Conn's	14500 WESTHEIMER	HOUSTON	TX	77077
247	Conn's	Conn's	6148 HIGHWAY 6, NORTH	HOUSTON	TX	77084
70	Conn's	Conn's	6888 GULF FREEWAY	HOUSTON	TX	77087
73	Conn's	Conn's	1420 WEST LOOP 336 NORTH	CONROE	TX	77304
24	Conn's	Conn's	19611 HWY 59 NORTH STE D	HUMBLE	TX	77338
112	Conn's	Conn's	19746 INTERSTATE 45	SPRING	TX	77373
21	Conn's	Conn's	20051 KATY FREEWAY	KATY	TX	77450
76	Conn's	Conn's	12730 FOUNTAIN LAKE CIRCL	STAFFORD	TX	77477
105	Conn's	Conn's	3931 FAIRWAY PLAZA DRIVE	PASADENA	TX	77505
77	Conn's	Conn's	5010 GARTH ROAD	BAYTOWN	TX	77521
102	Conn's	Conn's	2800 E BROADWAY	PEARLAND	TX	77581
248	Conn's	Conn's	3405 PALMER HIGHWAY	TEXAS CITY	TX	77590
5	Conn's	Conn's	7855 MEMORIAL BLVD	PORT ARTHUR	TX	77642
2	Conn's	Conn's	108 GATEWAY SHOPPING CTR	BEAUMONT	TX	77701
12	Conn's	Conn's	4326 DOWLEN ROAD	BEAUMONT	TX	77706
282	Conn's	Conn's	1502 HARVEY ROAD	COLLEGE STA	TX	77840
47	Conn's	Conn's	4818 S PADRE ISLAND DR	CORPUS CHRI	TX	78411
41	Conn's	Conn's	724 E EXPRESSWAY HWY 83	MCALLEN	TX	78501
106	Conn's	Conn's	8317 N. 10TH ST	MCALLEN	TX	78504
43	Conn's	Conn's	4465 N EXPRESSWAY 77/83	BROWNSVILLE	TX	78520
42	Conn's	Conn's	706 S DIXIELAND RD	HARLINGEN	TX	78552
312	Conn's	Conn's	6580 DOUGLAS BLVD	DOUGLASVILLI	GA	30135
314	Conn's	Conn's	123 PAVILION PARKWAY	FAYETTEVILLE	GA	30214
303	Conn's	Conn's	5555 WHITTLESEY BLVD	COLUMBUS	GA	31909
257	Conn's	Conn's	251 LAKESHORE PARKWAY	BIRMINGHAM	AL	35209
221	Conn's	Conn's	6125 UNIVERSITY DR NW	HUNTSVILLE	AL	35806
252	Conn's	Conn's	2424 EASTERN BOULEVARD	MONTGOMERY	AL	36117
184	Conn's	Conn's	5330 CANE RIDGE RD STE108	ANTIOCH	TN	37013
219	Conn's	Conn's	5844 BRAINERD RD	CHATTANOOG	TN	37411
190	Conn's	Conn's	3925 OXFORD STATION WAY	WINSTON SALI	NC	27103
231	Conn's	Conn's	3121 GARDEN ROAD	BURLINGTON	NC	27215
306	Conn's	Conn's	2580 TIMBER DRIVE	GARNER	NC	27529
225	Conn's	Conn's	1100 N WESLEYAN BLVD	ROCKY MOUN	NC	27804
185	Conn's	Conn's	197 SOUTH NEW HOPE RD	GASTONIA	NC	28054
186	Conn's	Conn's	UNIVERSITY PLAZA	CHARLOTTE	NC	28262
175	Conn's	Conn's	1748 SKIBO RD, UNIT 100	FAYETTEVILLE	NC	28303
213	Conn's	Conn's	1810 US HIGHWAY 70 SE	HICKORY	NC	28602
195	Conn's	Conn's	106 PEACHWOOD CENTER	SPARTANBURG	SC	29301
158	Conn's	Conn's	605 HAYWOOD ROAD	GREENVILLE	SC	29607
192	Conn's	Conn's	596 BOBBY JONES	AUGUSTA	GA	30907
131	Conn's	Conn's	7333 W. THOMAS RD	PHOENIX	AZ	85033
128	Conn's	Conn's	1655 SOUTH STAPLEY DRIVE	MESA	AZ	85204
141	Conn's	Conn's	15305 W MCDOWELL RD	GOODYEAR	AZ	85338
206	Conn's	Conn's	4208 CENTRAL AVE SW	ALBUQUERQUI	NM	87105
138	Conn's	Conn's	10000 COORS BLVD	ALBUQUERQUI	NM	87114
119	Conn's	Conn's	45 HOTEL CIRCLE SUITE 101	ALBUQUERQUI	NM	87123
299	Conn's	Conn's	4250 CERRILLOS ROAD	SANTA FE	NM	87507
196	Conn's	Conn's	2201 CIVIC CENTER DR	NORTH LAS VE	NV	89030
140	Conn's	Conn's	3185 E. TROPICANA	LAS VEGAS	NV	89121
208	Conn's	Conn's	120 S RAINBOW BLVD	LAS VEGAS	NV	89145
210	Conn's	Conn's	1101 S. FORT HOOD STREET	KILLEEN	TX	76541
117	Conn's	Conn's	230 N NEW ROAD	WACO	TX	76710
259	Conn's	Conn's	4001 SUNSET DRIVE	SAN ANGELO	TX	76904
122	Conn's	Conn's	2420 BOB BULLOCK LOOP	LAREDO	TX	78043
264	Conn's	Conn's	8270 AGORA PARKWAY	SCHERTZ	TX	78154
96	Conn's	Conn's	25 NE I-410 LOOP	SAN ANTONIO	TX	78216
68	Conn's	Conn's	7730 I-H 35 NORTH	SAN ANTONIO	TX	78218
61	Conn's	Conn's	2514 S W MILITARY	SAN ANTONIO	TX	78221
75	Conn's	Conn's	3143 SE MILITARY DRIVE	SAN ANTONIO	TX	78223
64	Conn's	Conn's	1339 SW LOOP 410,	SAN ANTONIO	TX	78227
62	Conn's	Conn's	4999 NW LOOP 410	SAN ANTONIO	TX	78229
262	Conn's	Conn's	4807 W COMMERCE ST	SAN ANTONIO	TX	78237
46	Conn's	Conn's	11650 BANDERA ROAD	SAN ANTONIO	TX	78250
233	Conn's	Conn's	917 TX-80	SAN MARCOS	TX	78666
66	Conn's	Conn's	9900 IH-35 SOUTH, BLDG H	AUSTIN	TX	78748
48	Conn's	Conn's	12901 NORTH IH35	AUSTIN	TX	78753
137	Conn's	Conn's	6976 EAST HWY 191	ODESSA	TX	79765
320	Conn's	Conn's	2930-2 Watson Blvd	Centerville	GA	31028

ECOM - WSB Badcock Ecom <https://www.badcock.com/>
 ECOM - CONNS Conn's Ecom <https://www.conns.com/>

Amended Exhibit B

Amended Expense Budget

Exhibit B
Consultant Expense Budget

Consultant Advertising	12,300,000
Consultant Supervision	6,850,000
Misc / Legal	100,000
Total Consultant Expense	<u>\$19,250,000</u>

Exhibit 2

Store Closing Procedures

Store Closing Procedures¹

1. The Store Closing Sales will be conducted during normal business hours or such hours as otherwise permitted by the applicable unexpired lease.
2. The Store Closing Sales will be conducted in accordance with applicable state and local “Blue Laws,” and thus, where such a law is applicable, no Store Closing Sales will be conducted on Sunday unless the Debtors have been operating such stores on Sundays.
3. On “shopping center” property, neither the Debtors nor, if applicable, 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, if applicable, the Consultant may solicit customers in the stores themselves. On “shopping center” property, neither the Debtors nor, if applicable, the Consultant shall use any flashing lights or amplified sound to advertise the Store Closing Sales or solicit customers, except as permitted under the applicable lease or agreed in writing by the landlord.
4. The Debtors and the Consultant shall have the right to use and sell the FF&E. The Debtors and, if applicable, 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 Closing Sales 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 a Store in a shopping bag.
5. The Debtors and the Consultant may, but are not required to, advertise the Store Closing Sales as “store closing,” “going out of business,” “sale on everything,” “everything must go,” or such other mutually agreed upon themed sale throughout the Sale Term in the Stores and on the Website. The Debtors and, if applicable, the Consultant may also have a “countdown to closing” sign prominently displayed in a manner consistent with these Store Closing Procedures.
6. The Debtors and the Consultant shall be permitted to utilize sign walkers, displays, hanging signs, and interior banners in connection with the Store Closing Sales; provided that such sign walkers, displays, 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 walker signs, displays, 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

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.

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 Sale is being conducted 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.

7. 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.
8. Affected landlords will have the ability to negotiate with the Debtors, or at the Debtors' direction, the Consultant, modifications to the Store Closing Procedures. The Debtors and the landlord of any Store are authorized to enter into agreements ("Side Letters") without further order of the Court, provided that Side Letters do not have a material adverse effect on the Debtors or their estates.
9. To the extent relevant, as set forth in more detail in the Consulting Agreement, conspicuous signs will be posted in each of the affected stores to the effect that all Store Closing Sales are "final."
10. The Debtors will keep store premises and surrounding areas clear and orderly, consistent with past practices.
11. 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.
12. 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.
13. If and to the extent that the landlord of any Store contends that the Debtors or the Consultant are in breach of or default under these Store Closing Procedures, such landlord shall provide at least five (5) days' written notice, served by email or overnight delivery, of:

If to the Debtors:

Conn's, Inc.
2445 Technology Forest Blvd., Suite 800,
The Woodlands, TX 77381
Attn: Legal Dept.

with copies to:

Sidley Austin, LLP
1000 Louisiana St #6000,
Houston, TX 77002

Attn: Duston McFaul
Email: dmcfaul@sidley.com
mquejada@sidley.com
msabino@sidley.com

If to the Consultant:

B. Riley Retail Solutions, LLC
299 Park Avenue, 21st Floor
New York, NY 10171
Attn: Rebecca W. Hollander, Esq.
Email: rhollander@brileyfin.com
legal@brileyfin.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 (5) days' written notice to the other party, served by email or overnight delivery.

Exhibit B

Proposed Final Order

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

In re:

CONN'S, INC., *et al.*¹

Debtors.

Chapter 11

Case No. 24-33357 (ARP)

(Joint Administration Requested)
(Emergency Hearing Requested)

**FINAL ORDER (I) APPROVING
AND AUTHORIZING THE DEBTORS TO
ASSUME AND PERFORM UNDER THE STORE CLOSING
CONSULTING AGREEMENT, (II) APPROVING PROCEDURES FOR STORE
CLOSING SALES, (III) APPROVING MODIFICATIONS TO CERTAIN CUSTOMER
PROGRAMS, (IV) AUTHORIZING CUSTOMER BONUSES FOR NON-INSIDER
EMPLOYEES OF CLOSING STORES, AND (V) GRANTING RELATED RELIEF**

(Related to Docket No. ___)

Upon the motion (“Motion”)² of Conn’s, Inc., and its debtor affiliates, as debtors and debtors in possession (collectively, the “Debtors”), for entry of an order (a) authorizing the Debtors to assume and perform under the Consulting Agreement, attached hereto as **Exhibit 1**; (b) authorizing the Debtors to conduct closings or similarly themed sales (the “Store Closing Sales”) at the Debtors’ retail locations (the “Closing Stores”) 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”); (c) approving modifications to certain customer programs, including the return policy and acceptance of gift

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are: Conn’s, Inc. (2840), Conn Appliances, Inc. (0706), CAI Holding, LLC (2675), Conn Lending, LLC (9857), Conn Credit I, LP (0545), Conn Credit Corporation, Inc. (9273), CAI Credit Insurance Agency, Inc. (5846), New RTO, LLC (6400), W.S. Badcock LLC (2010), W.S. Badcock Credit LLC (5990), and W.S. Badcock Credit I LLC (6422). The Debtor’s service address is 2445 Technology Forest Blvd., Suite 800, The Woodlands, TX 77381.

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

certificates, resulting from the Store Closing Sales; (d) authorizing the sale or disposition of the Store Closing Assets free and clear of Encumbrances; (e) authorizing the abandonment of certain burdensome Merchandise, FF&E, and personal property; and (f) granting related relief, each as more fully set forth in the Motion; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and the Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of this proceeding and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and appropriate notice of and opportunity for a hearing on the Motion having been given; and the relief requested in the Motion being in the best interests of the Debtors' estates, their creditors and other parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, the Court finds as follows:

- A.** The findings and conclusions set forth in this Order 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.
- B.** The Debtors have sound business reasons for seeking to continue their conduct of the Store Closing Sales, assume and perform under the Consulting Agreement, and adopt the Store Closing Procedures on a final basis, as set forth in the Motion and at the Hearing, and assumption of the Consulting Agreement is a reasonable

exercise of the Debtors' business judgment and in the best interests of the Debtors and their estates.

- C. The continued 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.
- D. The Consulting Agreement was negotiated, proposed, and entered into by the Consultant and the Debtors without collusion, in good faith, and from arm's-length bargaining positions.
- E. The Debtors' assumption of the Consulting Agreement is a sound exercise of the Debtors' business judgment.
- F. The sale of the Closing Stores Assets through the continued conduct of the Store Closing Sales in the Closing Stores is in the best interest of the Debtors' estates.
- G. 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.
- H. 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.
- I. The entry of this Final 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:

1. The relief requested in this Motion is GRANTED on a final basis as set forth herein.
2. The Debtors' implementation and effectuation of the Store Closing Sales is approved as set forth herein, pursuant to section 105(a) and 363(b) of the Bankruptcy Code.
3. 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 Store Closing Sales.

4. The Debtors are authorized to fund and make payments under the Store Closing Bonus Plan; provided, however, that such authority shall not extend to any Insider without further order of this Court.

5. 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 Final Order.

6. Notwithstanding anything to the contrary contained in the Motion or this Order, any payment to be made, obligation incurred, or relief or authorization granted hereunder shall not be inconsistent with, and shall be subject to and in compliance with, the requirements imposed on the Debtors under the terms of each interim and final order entered by the Court in respect of the DIP Motion filed substantially contemporaneously with the Motion (the "DIP Orders"), including compliance with any approved budget or cash flow forecast in connection therewith (and any permitted variances thereto) and any other terms and conditions thereof. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the DIP Orders or any approved budget set forth therein.

7. To the extent of any conflict between this Final 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 Final Order, this Final Order shall control over all other documents and the Store Closing Procedures shall control over the Consulting Agreement.

8. 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.

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

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

10. The Debtors are authorized to assume and perform under the Consulting Agreement pursuant to sections 363 and 365 of the Bankruptcy Code, on a final basis including: (a) making payments to the Consultant of its Fees, reimbursements of costs and expenses, and, subject to the provisions contained herein, payments of indemnification amounts (if any), in each case, as required by the Consulting Agreement without the need for any application of the Consultant or a further order of the Court. Consultant's fees and expenses shall be paid from the gross proceeds of the Store Closing Sales, but shall be subject to the terms of the Consulting Agreement itself, including as to any expense budget attached thereto.

11. Consultant is hereby granted a first-priority security interest and lien upon (i) the Additional Goods and (ii) Consultant's portion of the Additional Goods proceeds, which security interest shall be deemed perfected pursuant to this Final 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 Goods (and any proceeds thereof) as consigned goods thereunder and the Debtors as the consignee therefor, and security interest in such Additional Goods and Consultant's portion of the Additional Consultant Goods proceeds). Notwithstanding anything in Paragraph 6 to the contrary, as part of each weekly reconciliation, the Debtors shall turn over all proceeds from the sale of Additional Goods to the Consultant, net of any fee payable to the Debtors pursuant to the Consulting Agreement. For the avoidance of doubt, the turn over of the Additional Goods proceeds shall not be considered disbursements for purposes of calculating quarterly fees payable by the Debtors pursuant to 28 U.S.C. § 1930(a)(6).

12. Subject to the restrictions set forth in this Final 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 Closing Sales; 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 Closing Sales prior to the date of this Final Order, hereby are approved and ratified.

13. The Debtors shall indemnify the Consultant under the terms of the Consulting Agreement, as modified and limited by this Order. Notwithstanding the foregoing, the Consultant is not indemnified for, and may not receive any contribution or reimbursement with respect to any matter that arises from the Consultant's gross negligence, willful misconduct, fraud, bad faith, self-dealing, or breach of fiduciary duty.

14. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these chapter 11 cases (that order having become a final order no longer subject to appeal), or (ii) the entry of an order closing these chapter 11 cases, the Consultant believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution, and/or reimbursement obligations under the Consulting Agreement (as modified by this Order), including the advancement of defense costs, the Consultant must file an application therefor in this Court, and the Debtors may not pay any such amounts to the Consultant before the entry of an order by this Court approving the payment. All parties in interest shall retain the right to object to any demand by the Consultant for indemnification, contribution, or reimbursement.

II. Authority to Engage in Store Closing Sales.

15. The Debtors are authorized, but not directed, on a final basis, pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, to continue and immediately conduct the Store

Closing Sales at the Stores in accordance with this Final Order, the Store Closing Procedures and the Consulting Agreement.

16. The Store Closing Procedures are approved in their entirety on a final basis.

17. The Debtors are authorized to discontinue operations at the Closing Stores in accordance with this Final Order and the Store Closing Procedures.

18. All persons and 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 Final Order hereby are directed to surrender possession of such Merchandise or FF&E to the Debtors or, if applicable the Consultant. Debtors shall immediately serve a copy of this Final Order on any party alleged to be in possession of said Merchandise or FF&E.

19. Subject to Section IV of this Final 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.

20. All newspapers and other advertising media in which the Store Closing Sales may be advertised and all landlords are directed to accept this Final Order as binding authority so as to authorize the Debtors or the Consultant to conduct the Store Closing Sales and the sale of Merchandise, FF&E and Additional Goods pursuant to the Store Closing Procedures and, if applicable, the Consulting Agreement, including, without limitation, to conduct and advertise the sale of the Merchandise, FF&E and Additional Goods in the manner contemplated by and in

accordance with this Final Order, the Store Closing Procedures, and, if applicable, the Consulting Agreement.

21. Subject to (i) the Dispute Resolution Procedures (as defined below) provided for in this Final Order and (ii) any Side Letter, 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 Closing Sales 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,” “going out of business,” “sale on everything,” “everything must go,” or other mutually agreed upon themed sales through the posting of signs (including the use of exterior banners at non-enclosed mall Stores, and at enclosed mall Stores to the extent the applicable closing location entrance does not require entry into the enclosed mall common area), use of sign-walkers, A-frames and street signage.

22. Notwithstanding anything herein to the contrary, and in view of the importance of the use of sign-walkers, A-frames, banners, and other advertising to the sale of the Merchandise, FF&E and Additional Goods, to the extent that disputes arise during the course of such sale regarding laws regulating the use of sign-walkers, A-frames, 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 within five business days of such request. This scheduling shall not be deemed to preclude additional hearings for the presentation of evidence or arguments as necessary.

23. Nothing in the Consulting Agreement, the Store Closing Procedures or this Final 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 Final Order.

24. Except as expressly provided in the Consulting Agreement, the sale of the Merchandise, FF&E and Additional Goods shall be conducted by the Debtors 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 (which is hereby authorized pursuant to section 554 of the Bankruptcy Code), or “going dark” provisions. The Debtors and/or the Consultant, on the one hand, and dealers, and landlords of the Stores, on the other hand, 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 and the Consultant, on the one hand, and the dealers and any such landlords, on the other hand. Upon request (which may be by email), copies of any Side Letters will be provided to (i) the U.S. Trustee; (ii) JP Morgan Chase Bank, N.A. and counsel thereto; (iii) BRF Finance Co., LLC and counsel thereto; (iv) Stephens Investments Holdings LLC and counsel thereto; and/or (v) any statutory committee of unsecured creditors at such point as to provide the reasonable opportunity to object; provided that such party is subject to or agrees to become bound by reasonable confidentiality obligations to the extent requested.

25. 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 and A-frames) 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 Closing Sales 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, dealers, 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 Closing Sales or other liquidation sales at the Stores 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.

26. All sales of Store Closing Assets shall be “as is” and final. However, as to the Closing 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.”

27. 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.

28. 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 Final 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.

29. 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).

30. Neither the Store Closing Procedures, Consulting Agreement, nor this Final Order authorize the transfer or sale of 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.

31. The Debtors and/or the Consultant (as the case may be) are authorized and empowered to transfer Store Closing Assets among the Closing 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 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 leased premises lies.

32. Notwithstanding this or any other provision of this Final 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 and/or its affiliates are 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 and provided further that the rights of the U.S. Trustee and all other parties in interest to object to any guarantee, transaction or acquisition are fully preserved.

IV. Dispute Resolution Procedures with Governmental Units.

33. Nothing in this Final 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 Final Order. Nothing contained in this Final 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 Closing Sales 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 Final 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 Final 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 Final Order, or otherwise, pursuant to paragraph 30 herein. Notwithstanding any other

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

34. 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 “store closings,” “going out of business” sales, 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 and A-frames 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 Closing Sales are conducted in accordance with the terms of this Final 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 are authorized to conduct the Store Closing Sales in accordance with the terms of this Final 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 Final Order, the Debtor shall serve copies of this Final 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 Closing Sales are being held; (iii) the county consumer protection agency or similar agency for each county where the Store Closing Sales will be held; (iv) the division of consumer protection for each state where the Store Closing Sales 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 Closing Sales, this Final 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 (10) days following entry of this Final 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 (15) 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 Final 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 Final Order nor the conduct of the Debtors pursuant to this Final 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 Closing Sales pursuant to this Final Order, absent further order of this Court. This Court grants authority for the Debtors and the Consultant to conduct the Store Closing Sales pursuant to the terms of this Final 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 Final 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 Final 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*.

35. Except as expressly provided for herein or in the Store Closing Procedures, and except with respect to any Governmental Unit (as to which paragraphs 29 and 30 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 Closing Sales, or the advertising and promotion (including the posting of signs or the use of sign walkers) of the Store Closing Sales, 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 Closing Sales 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 Closing Sales 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.

36. Any restrictions in any lease agreement, restrictive covenant, or similar documents purporting to limit, condition, or impair the Debtors' ability to conduct the Store Closing Sales 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 Closing Sales are conducted in accordance with the terms of this Final Order and the Store Closing Procedures.

37. Subject to Paragraphs 29 and 30 above, each and every federal, state, or local agency, departmental or governmental unit with regulatory authority over the Store Closing Sales and all newspapers and other advertising media in which the Store Closing Sales are advertised shall consider this Final 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 Closing Sales.

38. Provided that the Store Closing Sales are conducted in accordance with the terms of this Final Order, the Consulting Agreement, and the Store Closing Procedures, and in light of the provisions in any applicable laws that exempt court-ordered sales from their provisions, the

Debtors and the Consultant shall be presumed to be in compliance with any Applicable Sale Laws and are authorized to conduct the Store Closing Sales in accordance with the terms of this Final Order and the Store Closing Procedures without the necessity of further showing compliance with any such Applicable Sale Laws.

39. 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) the Debtors, Attn: Legal Department; (b) proposed counsel to the Debtors, Sidley Austin, LLP, Attn.: Duston McFaul (dmcfaul@sidley.com), Jackson Garvey (jgarvey@sidley.com), and Michael Sabino (msabino@sidley.com); (c) the United States Trustee for the Southern District of Texas, Attn.: Jayson B. Ruff (jayson.b.ruff@usdoj.gov); (d) counsel to any statutory committee appointed in these Chapter 11 Cases; (e) the Consultant, Attn: Timothy J. Shilling (tshilling@brileyfin.com) and Rebecca Hollander (rhollander@brileyfin.com); and (f) any affected landlord and their counsel of record (if known).

V. Consumer Provisions.

40. For the first 14 days following the Petition Date, the Debtors shall accept returns of merchandise sold by the Debtors in the ordinary course prior to any Store Closing Sales; 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 Closing Sales; 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 this Order, shall not be accepted, and (b) gift certificates may not be returned for cash.

41. For the first 14 days following the Petition Date, the Stores will continue to accept the Debtors’ validly-issued gift certificates issued prior to the Store Closing Sales for in-person (and only in person) purchases in the ordinary course of business. After the expiration of the 14 days to utilize gift certificates in-store, all such validly-issued gift certificates 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 certificates are not redeemable for cash at any time.

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

VI. Other Provisions.

43. 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.

44. Within 30 days of conclusion of the Store Closing Sales, 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 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.

45. This Court shall retain exclusive jurisdiction with regard to all issues or disputes relating to this Final 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 the use of banners, sign-walker, and A-frame 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 or against 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 in or to the Store Closing Assets and/or the Additional Agent Merchandise. 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.

46. Nothing in this final order constitutes (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim or interest under applicable law or nonbankruptcy law; (c) a promise or requirement to pay any claim; (d) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law; (e) a request for or granting of approval for assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code; or (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates. Any payment made pursuant to this order is not intended to be nor should it be construed

as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

47. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

48. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this order.

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

Dated: _____, 2024
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE