

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

In re:

HDC HOLDINGS II, LLC, *et al.*,

Debtors.¹

)
) Chapter 11
)

) Case No. 24-12307 (TMH)
)

) (Jointly Administered)
)

) **Obj. Deadline: Nov. 29, 2024 at 4:00 p.m. (ET)**
)

) **Hearing Date: Dec. 12, 2024 at 2:00 p.m. (ET)**
)

**APPLICATION FOR AN ORDER PURSUANT TO
11 U.S.C. §§ 328(a) AND 1103 AUTHORIZING AND APPROVING
THE RETENTION AND EMPLOYMENT OF COLE SCHOTZ P.C.
AS DELAWARE CO-COUNSEL TO THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS EFFECTIVE AS OF OCTOBER 25, 2024**

The Official Committee of Unsecured Creditors (the “Committee”) of HDC Holdings II, LLC, *et al.* (collectively, the “Debtors”) in the above-captioned jointly administered chapter 11 cases (the “Chapter 11 Cases”) hereby files this application (the “Application”) for entry of an order, pursuant to sections 328(a) and 1103 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), authorizing the Committee to retain and employ Cole Schotz P.C. (“Cole Schotz”) as Delaware co-counsel to the Committee effective as of October 25, 2024. In support of the Application, the

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are: HDC Holdings II, LLC (2013); HDC Holdings III, LLC (3296); CCM Capital Assets, LLC (9451); Channel Control Merchants, LLC (3319); Dirt Cheap I, LLC (9433); CCM Support Services, LLC (2059); CCM Wholesale SE, LLC (7219); Channel Control Merchants of Texas, LLC (8091); Creative Sales Solutions, LLC (1691); Dirt Cheap Arkansas, LLC (0244); Dirt Cheap Building Supplies, LLC (0880); Dirt Cheap of Georgia, LLC (0269); Dirt Cheap of Louisiana, LLC (0067); Dirt Cheap SE, LLC (4928); Dirt Cheap Tennessee, LLC (1273); Treasure Hunt, LLC (9393); CCM Wholesale, LLC (7219); Channel Control Merchants of California, LLC (9011); and CAL Support Services, LLC (2859). The Debtors’ headquarters are located at 6892 US Hwy 49 North, Hattiesburg, Mississippi 39402.

Committee submits (i) the declaration of Justin R. Alberto attached hereto as **Exhibit A** (the “Alberto Declaration”) and (ii) the declaration of Theresa Adkins, not in her individual capacity but solely as Chairperson of the Committee, attached hereto as **Exhibit B** (the “Committee Declaration”), and respectfully represents as follows:

JURISDICTION AND VENUE

1. The United States District Court for the District of Delaware has jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to the United States Bankruptcy Court for the District of Delaware (the “Court”) under 28 U.S.C. § 157 and the *Amended Standing Order of Reference for the United States District Court for the District of Delaware*, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b).

2. Pursuant to Local Rule 9013-1(f), the Committee consents to the entry of a final order or judgment by the Court in connection with this Application to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

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

4. The statutory and other bases for relief requested in this Application are sections 328(a) and 1103 of the Bankruptcy Code, Bankruptcy Rule 2014 and Local Rule 2014-1.

BACKGROUND

5. On October 10, 2024 (the “Petition Date”), each of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. These Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b). Since the Petition Date, the Debtors have remained in possession of their assets and have continued to operate and manage their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. On October 23, 2024, the Office of the United States Trustee for Region 3 (the “U.S. Trustee”) appointed a five-member Committee consisting of: (i) The Recon Group LLP.; (ii) Minglewood Properties, Ltd.; (iii) Academy, Ltd. d/b/a Academy + Outdoors; (iv) Nordstrom, Inc.; and (v) Concord USA LLC. *See* Docket No. 69. Academy, Ltd. d/b/a Academy + Outdoors serves as Chairperson of the Committee.

7. On October 25, 2024, the Committee selected Orrick, Herrington & Sutcliffe LLP (“Orrick”) as its lead counsel and Cole Schotz as its Delaware co-counsel. On October 29, 2024, the Committee selected Genesis Credit Partners LLC as its financial advisor.

RELIEF REQUESTED

8. By this Application, the Committee respectfully requests that the Court enter an order, pursuant to sections 328(a) and 1103 of the Bankruptcy Code, authorizing the Committee to retain and employ Cole Schotz as its Delaware co-counsel to represent the Committee in all phases of the Chapter 11 Cases effective as of October 25, 2024, which is the date Cole Schotz was selected as proposed Delaware co-counsel and commenced providing services on behalf of the Committee.

9. Contemporaneously herewith, the Committee is filing an application to retain Orrick as its lead counsel. Orrick and Cole Schotz will coordinate responsibilities and services rendered to the Committee to avoid any unnecessary duplication and inefficiencies.

BASIS FOR RELIEF

10. Pursuant to sections 328(a) and 1103 of the Bankruptcy Code, a committee appointed under section 1102 of the Bankruptcy Code may employ one or more attorneys to represent it in carrying out its duties under the Bankruptcy Code, provided that such attorneys are disinterested persons and do not hold or represent an interest adverse to the estate. 11 U.S.C. §§ 328(a), 1103. The Committee requests that the Court approve its retention of Cole

Schotz as its Delaware co-counsel to perform certain legal services that will be necessary during the Chapter 11 Cases in accordance with Cole Schotz's standard hourly rates and disbursement policies.

11. The Committee selected Cole Schotz as its Delaware co-counsel because of the firm's extensive experience representing committees in complex chapter 11 proceedings. Most recently, Cole Schotz has been engaged to represent committees in the following cases: *In re Big Lots, Inc.*, Case No. 24-11967 (KJS) (Bankr. D. Del.); *In re LL Flooring Holdings, Inc.*, Case No. 24-11680 (BLS) (Bankr. D. Del.); *In re Fisker Inc.*, Case No. 24-11390 (TMH) (Bankr. D. Del.); *In re Project Sage Oldco, Inc.*, Case No. 24-10245 (JTD) (Bankr. D. Del.); *In re Cano Health, Inc.*, Case No. 24-10164 (KBO) (Bankr. D. Del.); *In re Restoration Forest Products Group, LLC*, Case No. 24-10120 (KBO) (Bankr. D. Del.); *In re MediaMath Holdings Inc.*, Case No. 23-10882 (LSS) (Bankr. D. Del.); *In re the Mitchell Gold Co., LLC*, Case No. 23-11385 (LSS) (Bankr. D. Del.); *In re FB Debt Financing Guarantor, LLC*, Case No. 23-10025 (KBO) (Bankr. D. Del.); *In re Performance Powersports Group Investor, LLC*, Case No. 23-10047 (LSS) (Bankr. D. Del.); *In re Phoenix Services Topco, LLC*, Case No. 22-10906 (MFW) (Bankr. D. Del.); *In re NewAge, Inc.*, Case No. 22-10819 (LSS) (Bankr. D. Del.); *In re TPC Group Inc.*, Case No. 22-10493 (CTG) (Bankr. D. Del.); *In re Armstrong Flooring, Inc.*, Case No. 22-10426 (MFW) (Bankr. D. Del.); *In re Mallinckrodt plc*, Case No. 20-12522 (JTD) (Bankr. D. Del.). Several of the attorneys at Cole Schotz who will be employed in the Chapter 11 Cases are members in good standing of the Bar of the Supreme Court of Delaware and all regularly practice before this Court. Accordingly, the Committee seeks to retain Cole Schotz because Cole Schotz is well qualified to represent and assist the Committee in performing its duties in these Chapter 11 Cases.

SERVICES TO BE PROVIDED BY COLE SCHOTZ

12. The Committee respectfully submits that it is necessary and appropriate to employ and retain Cole Schotz as its Delaware co-counsel to represent it in the Chapter 11 Cases and render various professional services to enable it to faithfully execute its duties. Cole Schotz's duties may include, among others:

- a. Serving as Delaware co-counsel to the Committee;
- b. providing legal advice with respect to the Committee's powers, rights, duties and obligations in the Chapter 11 Cases;
- c. assisting and advising the Committee in its consultations with the Debtors regarding the administration of the Chapter 11 Cases;
- d. assisting the Committee in reviewing and negotiating terms for unsecured creditors with respect to (i) the use of cash collateral, (ii) any sale of the Debtors' assets, including negotiating bid procedures and proposed asset purchase agreements, (iii) the confirmation of a chapter 11 plan, and (iv) other requests for relief which would impact unsecured creditors;
- e. investigating the liens asserted by the Debtors' lenders and any potential causes of action against the Debtors' lenders;
- f. advising the Committee on the corporate aspects of the Debtors' Chapter 11 Cases and any plan(s) or other means to effect the Debtors' liquidation that may be proposed in connection therewith and participation in the formulation of any such plan(s) or means of implementing the liquidation, as necessary;
- g. taking all necessary actions to protect and preserve the estates of the Debtors for the benefit of unsecured creditors, including the investigation of the acts, conduct, assets, liabilities and financial condition of the Debtors, the investigation of the prior operation of the Debtors' businesses and the investigation and prosecution of estate claims, causes of action and any other matters relevant to the Chapter 11 Cases;
- h. preparing on behalf of the Committee all necessary motions, applications, complaints, answers, orders, reports, papers and other pleadings and filings in connection with the Committee's duties in the Chapter 11 Cases;

- i. advising and representing the Committee in hearings and other judicial proceedings in connection with all necessary motions, applications, objections and other pleadings and otherwise protecting the interests of those represented by the Committee; and
- j. performing all other necessary legal services as may be required and authorized by the Committee that are in the best interests of unsecured creditors.

13. The Committee respectfully represents that it is necessary for the Committee to retain Delaware co-counsel to perform the above-referenced services and otherwise assist the Committee in fulfilling its statutory duties under the Bankruptcy Code. Cole Schotz will perform the above tasks, as may be requested by Orrick and the Committee, in a manner that avoids unnecessary duplication, promotes the efficient representation of the Committee and is consistent with the representation of the Committee as Delaware co-counsel.

DISINTERESTEDNESS OF COLE SCHOTZ

14. To the best of the Committee's knowledge, information and belief and as evidenced by the Alberto Declaration, Cole Schotz does not currently hold or represent any interest adverse to the interest of the estates or creditors or equity security holders with respect to the matters in which Cole Schotz is to be employed, except as set forth therein, and Cole Schotz is "disinterested" under section 101(14) of the Bankruptcy Code.

15. Except as disclosed in the Alberto Declaration, Cole Schotz does not represent, and has not represented, any entities other than the Committee in matters related to the Chapter 11 Cases. Cole Schotz may represent, or may have represented, certain parties with interests in the Chapter 11 Cases on matters unrelated to the Chapter 11 Cases. As set forth in the Alberto Declaration, Cole Schotz has conducted, and continues to conduct, research into its relations with the Debtors, the Debtors' substantial creditors and other parties in interest in the Chapter 11 Cases.

COMPENSATION OF COLE SCHOTZ

16. The terms of the employment of Cole Schotz provide generally that certain attorneys and other personnel within Cole Schotz will undertake this representation at their standard hourly rates, and that Cole Schotz will be reimbursed for reasonable and necessary expenses, subject to approval of the Court in accordance with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and the orders of this Court.

17. The present hourly rates for attorneys and paralegals of Cole Schotz are set forth in the Alberto Declaration attached hereto. The hourly rates are subject to periodic adjustments to reflect economic and other conditions and to reflect their increased expertise and experience in their area of law. Cole Schotz will advise the Committee, the Debtors and the U.S. Trustee of any increases in its hourly rates.²

18. Cole Schotz will also seek reimbursement for reasonable and necessary expenses incurred, which may include, among other things, travel expenses, work related meals, facsimile (outgoing only) toll and other charges, external teleconferencing, mail and express or overnight mail charges, special or hand delivery charges, document processing, photocopying (not to exceed \$0.10 per page for black and white copies and \$0.80 for color copies), scanning and printing charges, vendor charges, computerized research, transcription costs, filing fees, non-ordinary overhead expenses such as secretarial and other overtime and other out-of-pocket expenses incurred in providing professional services to the Committee. Cole Schotz will charge for these expenses in a manner and at rates consistent with charges made generally to its other clients.

² Such rate increases generally occur on or about September 1 of each year.

STATEMENT REGARDING U.S. TRUSTEE GUIDELINES

19. Cole Schotz will file fee applications with the Court in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and orders of this Court, and be paid pursuant thereto. Cole Schotz also intends to make a reasonable effort to comply with the U.S. Trustee's requests for information and additional disclosures as set forth in the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases Effective as of November 1, 2013* (the "Revised UST Guidelines").

20. The following is provided in response to Paragraph D.1. of the Revised UST Guidelines:

Question	Did you agree to any variations from, or alternatives to, your standard or customary billing arrangements for this engagement?
Response	No. Cole Schotz professionals working on this matter will bill at their standard hourly rates.
Question	Do any of the professionals included in this engagement vary their rate based on the geographic location of the bankruptcy case?
Response	No.
Question	If you represented the client in the 12 months prepetition, disclose your billing rates and material financial terms for the prepetition engagement, including any adjustments during the 12 months prepetition. If your billing rates and material financial terms have changed postpetition, explain the difference and the reasons for the difference.
Response	Cole Schotz did not represent the Committee during the 12 months preceding the filing of the Chapter 11 Cases.
Question	Has your client approved your prospective budget and staffing plan, and, if so for what budget period?
Response	Cole Schotz expects to develop a prospective budget and staffing plan to reasonably comply with the U.S. Trustee's request for information and additional disclosures, as to which Cole Schotz reserves all rights.

NOTICE

21. Notice of this Application will be provided to the following parties: (i) the U.S. Trustee; (ii) counsel to the Debtors; and (iii) those persons who have formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Committee respectfully submits that no other or further notice of the Application is required.

NO PRIOR REQUEST

22. No prior request for the relief requested in this Application has been made to this Court or any other court.

CONCLUSION

WHEREFORE, the Committee respectfully requests that this Court enter an order, substantially in the form attached hereto as **Exhibit C**, authorizing and approving the Committee's retention and employment of Cole Schotz as its Delaware co-counsel effective as of October 25, 2024, and grant such other and further relief as the Court deems just and proper.

Dated: November 15, 2024

**THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF HDC
HOLDINGS II, LLC, *et al.***

/s/ Theresa Adkins

By: Theresa Adkins

On behalf of Academy, Ltd. d/b/a Academy + Outdoors
Solely in her capacity as Chairperson of the
Official Committee of Unsecured Creditors of
HDC Holdings II, LLC, *et al.*

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

In re:

HDC HOLDINGS II, LLC, *et al.*,

Debtors.¹

)

) Chapter 11

)

) Case No. 24-12307 (TMH)

)

) (Jointly Administered)

)

) **Obj. Deadline: Nov. 29, 2024 at 4:00 p.m. (ET)**

) **Hearing Date: Dec. 12, 2024 at 2:00 p.m. (ET)**

NOTICE OF

**APPLICATION FOR AN ORDER PURSUANT
TO 11 U.S.C. §§ 328(A) AND 1103 AUTHORIZING
AND APPROVING THE RETENTION AND EMPLOYMENT OF
COLE SCHOTZ P.C. AS DELAWARE CO-COUNSEL TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF OCTOBER 25, 2024**

PLEASE TAKE NOTICE that, on November 15, 2024, the Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), by and through their undersigned proposed counsel, filed with the United States Bankruptcy Court for the District of Delaware (the “Court”) the *Application for an Order Pursuant to 11 U.S.C. §§ 328(a) and 1103 Authorizing and Approving the Retention and Employment of Cole Schotz P.C. as Delaware Co-Counsel to the Official Committee of Unsecured Creditors Effective as of October 25, 2024* (the “Application”).

PLEASE TAKE FURTHER NOTICE that a hearing to consider the relief sought in the Application will be held on **December 12, 2024 at 2:00 p.m. (ET)** (the “Hearing”) before The

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are: HDC Holdings II, LLC (2013); HDC Holdings III, LLC (3296); CCM Capital Assets, LLC (9451); Channel Control Merchants, LLC (3319); Dirt Cheap I, LLC (9433); CCM Support Services, LLC (2059); CCM Wholesale SE, LLC (7219); Channel Control Merchants of Texas, LLC (8091); Creative Sales Solutions, LLC (1691); Dirt Cheap Arkansas, LLC (0244); Dirt Cheap Building Supplies, LLC (0880); Dirt Cheap of Georgia, LLC (0269); Dirt Cheap of Louisiana, LLC (0067); Dirt Cheap SE, LLC (4928); Dirt Cheap Tennessee, LLC (1273); Treasure Hunt, LLC (9393); CCM Wholesale, LLC (7219); Channel Control Merchants of California, LLC (9011); and CAL Support Services, LLC (2859). The Debtors’ headquarters are located at 6892 US Hwy 49 North, Hattiesburg, Mississippi 39402.

Honorable Thomas M. Horan, United States Bankruptcy Judge for the District of Delaware, at the Court, 3rd Floor, Courtroom No. 7, 824 North Market Street, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the entry of an order granting the relief sought in the Application must be filed on or before **November 29, 2024, at 4:00 p.m. (ET) (the “Objection Deadline”)** with the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must serve a copy of the response or objection upon the undersigned proposed counsel to the Committee so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO PROPERLY FILE AND SERVE A RESPONSE ON OR BEFORE THE OBJECTION DEADLINE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

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Dated: November 15, 2024

/s/ Michael E. Fitzpatrick

COLE SCHOTZ P.C.

Justin R. Alberto (No. 5126)
Stacy L. Newman (No. 5044)
Michael E. Fitzpatrick (No. 6797)
Melissa M. Hartlipp (No. 7063)
500 Delaware Avenue, Suite 1410
Wilmington, DE 19801
Telephone: (302) 652-3131
Facsimile: (302) 652-3117
Email: jalberto@colecshotz.com
snewman@coleschotz.com
mfitzpatrick@coleschotz.com
mhartlipp@coleschotz.com

-and-

ORRICK, HERRINGTON & SUTCLIFFE LLP

Raniero D'Aversa (admitted *pro hac vice*)
Mark Franke (admitted *pro hac vice*)
Nicholas Poli (admitted *pro hac vice*)
Jenna MacDonald Busche (admitted *pro hac vice*)
Michael Trentin (admitted *pro hac vice*)
Brandon Batzel (admitted *pro hac vice*)
51 West 52nd Street
New York, New York 10019
Telephone: (212) 506-5000
Facsimile: (212) 506-5151
Email: rdaversa@orrick.com
mfranke@orrick.com
npoli@orrick.com
jmacdonaldbusche@orrick.com
mtrentin@orrick.com
bbatzel@orrick.com

*Proposed Counsel for the Official
Committee of Unsecured Creditors*

EXHIBIT A

Alberto Declaration

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

In re:

HDC HOLDINGS II, LLC, *et al.*,

Debtors.¹

) Chapter 11

) Case No. 24-12307 (TMH)

) (Jointly Administered)

**DECLARATION OF
JUSTIN R. ALBERTO IN SUPPORT OF APPLICATION
FOR AN ORDER PURSUANT TO 11 U.S.C. §§ 328(a) AND 1103
AUTHORIZING AND APPROVING THE RETENTION AND EMPLOYMENT
OF COLE SCHOTZ P.C. AS DELAWARE CO-COUNSEL TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF OCTOBER 25, 2024**

Justin R. Alberto, hereby declares, pursuant to 28 U.S.C. § 1746, as follows:

1. I am a member of the law firm of Cole Schotz P.C. ("Cole Schotz"), which maintains offices for the practice of law at 500 Delaware Avenue, Suite 200, Wilmington, Delaware. Cole Schotz also maintains offices in Boca Raton, Florida; Baltimore, Maryland; Hackensack, New Jersey; New York, New York; and Dallas, Texas.

2. This declaration (the "Declaration") is submitted pursuant to sections 328(a) and 1103(b) of the Bankruptcy Code, Bankruptcy Rule 2014 and Local Rule 2014-1 and in support of the *Application of the Official Committee of Unsecured Creditors for an Order Pursuant to 11 U.S.C. §§ 328(a) and 1103 Authorizing and Approving the Retention and Employment of Cole*

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are: HDC Holdings II, LLC (2013); HDC Holdings III, LLC (3296); CCM Capital Assets, LLC (9451); Channel Control Merchants, LLC (3319); Dirt Cheap I, LLC (9433); CCM Support Services, LLC (2059); CCM Wholesale SE, LLC (7219); Channel Control Merchants of Texas, LLC (8091); Creative Sales Solutions, LLC (1691); Dirt Cheap Arkansas, LLC (0244); Dirt Cheap Building Supplies, LLC (0880); Dirt Cheap of Georgia, LLC (0269); Dirt Cheap of Louisiana, LLC (0067); Dirt Cheap SE, LLC (4928); Dirt Cheap Tennessee, LLC (1273); Treasure Hunt, LLC (9393); CCM Wholesale, LLC (7219); Channel Control Merchants of California, LLC (9011); and CAL Support Services, LLC (2859). The Debtors' headquarters are located at 6892 US Hwy 49 North, Hattiesburg, Mississippi 39402.

Schotz P.C. as Delaware Co-Counsel to the Official Committee of Unsecured Creditors effective as of October 25, 2024 (the “Application”).²

3. Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein. To the extent that any information disclosed herein requires supplementation, amendment or modification upon Cole Schotz’s completion of further analysis or as additional information becomes available to it, a supplemental declaration will be filed with the Court.

Cole Schotz’s Disinterestedness

4. In connection with its proposed retention by the Committee in the Chapter 11 Cases, Cole Schotz researched its client database to determine whether it has relationships with any of the entities or persons that were identified to Cole Schotz as creditors or parties in interest in these Chapter 11 Cases (the “Interested Parties”), as set forth on **Schedule 1** attached hereto and incorporated herein (the “Interested Party List”). In addition, a list of the Interested Parties was sent via email to all employees of Cole Schotz for their individual review and response.

5. To the extent such a search indicated that Cole Schotz has, or previously had, a relationship with any of the Interested Parties within the last three (3) calendar years, the identities of such parties and Cole Schotz’s relationship with such parties are set forth on **Schedule 2** attached hereto. Further, each of the representations identified on **Schedule 2** are wholly unrelated to the Debtors and their Chapter 11 Cases.

6. Through its analysis, Cole Schotz determined that it has no connections with the Debtors, creditors of the Debtors, their respective attorneys and accountants, the U.S. Trustee or any person employed in the Office of the U.S. Trustee or Judges for the United States Bankruptcy

² Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Application.

Court for the District of Delaware (and certain staff members) over the last three (3) calendar years, except as set forth above or on **Schedule 2** attached hereto.

7. Further, as part of its diverse practice, Cole Schotz appears in numerous cases, proceedings and transactions involving many different professionals, including other attorneys, accountants, financial consultants and investment bankers, some of whom are or represent potential parties in interest in the Chapter 11 Cases. Cole Schotz does not, and will not, represent any such professional in the Chapter 11 Cases.

8. Based on the results of Cole Schotz's analysis, and except as otherwise disclosed herein, Cole Schotz does not hold or represent any interest adverse to the Committee, the Debtors or their estates in connection with the matters for which Cole Schotz is to be employed.

9. To the best of my knowledge, information and belief after reasonable inquiry, Cole Schotz is disinterested within the meaning of section 101(14) of the Bankruptcy Code, in that neither I, Cole Schotz nor any of its members, special counsel or associates:

- (a) are creditors, equity security holders or insiders of the Debtors;
- (b) are, or within two years before the Petition Date were, a director, officer or employee of the Debtors; or
- (c) have an interest materially adverse to the interest of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with or interest in the Debtors or for any other reason.

Cole Schotz's Rates and Billing Practices

10. Cole Schotz intends to apply for compensation for professional services rendered in connection with the Chapter 11 Cases subject to the approval of this Court and in compliance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, Local Rules and orders of the Court entered in these Chapter 11 Cases concerning compensation of professionals, on an hourly basis, plus reimbursement of actual, necessary expenses and other charges incurred by Cole

Schotz. The attorneys and paralegals primarily responsible for representing the Committee and their current standard hourly rates are:

Name	Title	Hourly Rate
Justin R. Alberto	Member	\$925 per hour
Stacy L. Newman	Member	\$800 per hour
Michael E. Fitzpatrick	Associate	\$575 per hour
Melissa M. Hartlipp	Associate	\$430 per hour
Elazar A. Kosman	Associate	\$430 per hour
Larry Morton	Paralegal	\$400 per hour

11. In addition, other attorneys, paralegals and staff may be involved as necessary and appropriate to represent the Committee. The current rates of Cole Schotz members, special counsel, associates, paralegals and litigation support specialists are as follows:

<u>Professional</u>	<u>Rates</u>
Members	\$615.00 to \$1,575.00 per hour
Associates and Special Counsel	\$385.00 to \$750.00 per hour
Law Clerks	\$380.00 to \$405.00 per hour
Paralegals	\$240.00 to \$460.00 per hour
Litigation Support Specialists	\$425.00 to \$535.00 per hour

These rates are subject to change in accordance with Cole Schotz's billing practice and procedures. Cole Schotz will advise the Committee, the Debtors and the U.S. Trustee of any increases in its hourly rates.³

12. In addition, it is Cole Schotz's policy to charge its clients in all areas of practice for all other expenses incurred related to the representation. The expenses charged to clients include, among other things, facsimile (outgoing only) toll and other charges, external teleconferencing, mail and express mail charges, special or hand delivery charges, photocopying, scanning and printing charges, travel expenses, expenses for "working meals", computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other

³ Cole Schotz generally increases its rates on or about September 1 of each year.

overtime. Cole Schotz will charge for these expenses in a manner and at rates consistent with charges made generally to its other clients.

13. No agreement exists, nor will any be made, between Cole Schotz and any other person regarding the sharing of compensation received by Cole Schotz for its services in these Chapter 11 Cases, as described in Bankruptcy Rule 2016.

Attorney Statement Pursuant to Revised UST Guidelines

14. Cole Schotz shall apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with the Chapter 11 Cases in compliance with sections 330 and 331 of the Bankruptcy Code and applicable provisions of the Bankruptcy Rules, Local Rules and any other applicable procedures and orders of the Court. Cole Schotz also intends to make a reasonable effort (taking into account the particular facts and circumstances of these cases) to comply with the U.S. Trustee's requests for information and additional disclosures as set forth in the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases Effective as of November 1, 2013* (the "Revised UST Guidelines"), both in connection with this Application and the interim and final fee applications to be filed by Cole Schotz in the Chapter 11 Cases. While Cole Schotz is agreeing to do so in these cases, this statement regarding the Revised UST Guidelines is made for these cases only and with a full and express reservation of rights with respect to any other case(s) or matter(s).

15. The following is provided in response to the request for additional information set forth in Paragraph D.1. of the Revised UST Guidelines:

Question	Did you agree to any variations from, or alternatives to, your standard or customary billing arrangements for this engagement?
Response	No. Cole Schotz professionals working on this matter will bill at their standard hourly rates.

Question	Do any of the professionals included in this engagement vary their rate based on the geographic location of the bankruptcy case?
Response	No.
Question	If you represented the client in the 12 months prepetition, disclose your billing rates and material financial terms for the prepetition engagement, including any adjustments during the 12 months prepetition. If your billing rates and material financial terms have changed postpetition, explain the difference and the reasons for the difference.
Response	Cole Schotz did not represent the Committee during the 12 months preceding the filing of the Chapter 11 Cases.
Question	Has your client approved your prospective budget and staffing plan, and, if so for what budget period?
Response	Cole Schotz expects to develop a prospective budget and staffing plan to reasonably comply with the U.S. Trustee's request for information and additional disclosures, as to which Cole Schotz reserves all rights.

16. Cole Schotz, as proposed Delaware co-counsel to the Committee, will report directly to the Committee. During the course of these Chapter 11 Cases, Orrick and Cole Schotz will reasonably coordinate responsibilities and services rendered to the Committee to avoid any unnecessary duplication and inefficiencies.

I hereby declare under the penalty of perjury that the foregoing is true and correct.

Executed on November 15, 2024.
Wilmington, Delaware

/s/ Justin R. Alberto
Justin R. Alberto

SCHEDULE 1

List of Potential Parties in Interest

HDC Holdings II, LLC

Potential Parties in Interest

Debtors

HDC Holdings II, LLC
HDC Holdings III, LLC
CCM Capital Assets, LLC
Channel Control Merchants, LLC
Dirt Cheap I, LLC
CCM Support Services, LLC
CCM Wholesale SE, LLC
Channel Control Merchants of Texas, LLC
Creative Sales Solutions, LLC
Dirt Cheap Arkansas, LLC
Dirt Cheap Building Supplies, LLC
Dirt Cheap of Georgia, LLC
Dirt Cheap of Louisiana, LLC
Dirt Cheap SE, LLC
Dirt Cheap Tennessee, LLC
Treasure Hunt, LLC
CCM Wholesale, LLC
Channel Control Merchants of California, LLC
CAL Support Services, LLC

Non-Debtor Affiliates

Hilco Trading, LLC
Hilco Merchant Resources, LLC
Treasure Aggregator LLC
Behrens CCM, LLC
SDW Partners LP
Bill & Leslie Cornog Living Trust
G-III Investments, Inc.
Treasure Blocker GP LLC
Treasure Topco LLC
Treasure Intermediate LLC

Debtors' Advisors

Epiq Corporate Restructuring, LLC
8627690 Canada Inc. (d/b/a Mosaic Growth Partners)
Young Conaway Stargatt & Taylor, LLP

Banks

BankPlus

Bank of Montreal
BMO Bank N.A. (f/k/a BMO Harris Bank, N.A.)
Cadence Bank
Citizens Bank, N.A.
Community Bank of Mississippi
First Horizon Bank
Hancock Whitney Bank
Merchants & Marine Bank
PNC Bank
Regions Bank
Sothorn Bancorp
The First Bank
The Peoples Bank
Trustmark

Equity Holders

Behrens CCM, LLC
Bill & Leslie Cornog Living Trust
G-III Investments, Inc.
SDW Partners, LP
Treasure Aggregator LLC

Guarantor

HDC Acquisition LLC

Lenders and Other Lienholders

Whitney Bank (d/b/a Hancock Bank)
PNC Bank, National Association (f/k/a Compass Bank)
BMO Bank N.A. (f/k/a BMO Harris Bank, N.A.)
Hilco Trading, LLC
KKR North America Fund XI (Wave) L.P.
Brent Tree Shipping Center, LTD; Brent Tree S/C, LCC
Cottonwood Creek S/C I, Ltd; Cottonwood Creek GP I, LLC
WC South Properties LP
Treasure Topco LLC

Lenders' Advisors

Carver Darden Koretzky Tessier Finn
Blossman & Areaux LLC
Faegre Drinker Biddle & Reath LLP
Vedder Price
Womble Bond Dickinson (US) LLP

Material Vendors and Contract

Counterparties

Amazon.com Services, LLC
Claire's
Classic Brands, LLC
Classic Brands ABC
Dormify
Fleet Farm, LLC
Floor Found, Inc.
Funai Service Corporation
Haas Outdoors, Inc.
Hilco Wholesale Solutions, LLC
HSL Ventures, Inc.
Lowe's
MerchSource, LLC
Macy's Corporate Services, LLC
Nordstrom, Inc.
Overstock.com, Inc.
Penney OpCo LLC
Pilot Travel Centers LLC
Quiet Logistics
Rite Aid
Sohnen Enterprises, Inc.
Standvast Fulfillment, Inc.
ThredUp Inc.
Tri Mountain
Tvilum, LLC
Vantage Inc. (d/b/a Acquco)
Walmart

Top 30 Unsecured Creditors

Target Corp. Salvage Dept.
Amazon.com Services LLC
The Recon Group LLC
Minglewood Properties LTD
Macys-Bloomington's
Salesforce.com INC
Ernst & Young US LLP
Academy Sports Outdoors, Inc

Classic Brands LLC
Corporate Billing, LLC
Sunset Forest Products, INC
Viking Forest Products LLC
Nordstrom, INC.
Kenco Label & Tag Co. LLC
Dicks Sporting Goods, Inc.
Lowe's
Inmar Supply Chain Solutions, LLC
Concord USA LLC
Schneider National Carriers, Inc
CSS Inc.
24/7 Shop At Home Inc.
Blue Mountain Industrial Park, LLC
Home Depot
Fixture Zone, Inc.
Total Quality Logistics LLC
AFCO
On Partners
Staples 960
Synergy It Solutions of NYS, Inc.
Omniveillance

Insurance Providers & Brokers

CNA Insurance
Tokio Marine HCC
Travelers Insurance
Zurich American Insurance Company

Landlords

3045 East Texas LLC
3045 East Texas Street LLC
551-587 South Lowry Street LLC
551-587 South Lowry Street LLC
805 Realty Corp
805 Realty Corp
Academy Equities LLC
Action 49 Junction LLC
Adams Center LTD
Ambassador Way Shopping Center LLC
Amory LLC
Aschaffenburg Investments, LLC
Baron 551 LLC
Battlefield Centre LLC
Blue Mountain Industrial Park LLC
Brenda Faye Boyles

Cleveland Properties LLC
Coleman Hammons

Compass Bank
Daniel G Kamin Mccomb LLC
Demopolis Towne Center LLC
The Dillard Trulove Trust B, Grantor Trust
Eli Erlich
Eules Capital LP
Ferry Pass Station Inc
Gibbs Development LLC
Greenwood Station LLC
Gulfport/Orange Grove Associates LTD
Hillsboro-WM LTD
Homewood Property LLC
Hudspeth Properties LLC
Janice Champlin
JB Levert Land Company LLC
LA3 Centers LP
LBO Properties
Lewisburg Commons LLC
Lewko Properties LLC
Louis Wiener
Mercury Plaza GP
Minglewood Properties LTD
Monroe Retail Group LLC
MS Equities LLC
Mystic LLC
Phillips Distributors Inc
Pine Tree Plaza LLC
Realvest LLC
Ria Gatlinburg Properties LLC
Rigeland Realty Jg LLC
Rigeland Realty LLC
Robert N Graham LLC
Roma Street Management LLC
Searcy Square LLC
Second Street of Madison LLC
Sherman Boyles, JR
Shows Development Inc
Southern Development of Mississippi Inc
Spiller LLC
T Hall Andalusia LLC
Tangilena Village Inc.
Thomasville Mart LLC
TLBT LLC

Tombstoneman LLC
Town Square of Columbia LLC
V & V LLC
Vaquero Broadway Partners LP
Watwood Investments LLC
Waveland Choctaw Plaza LLC
Westbrook Mart LLC
WFP Baymont LP

Utility Companies

Alabama Power Company – Birmingham
Alcorn County Electric Power Association
Amory Water & Electric Department
Andalusia, Alabama Utilities
Anniston Water Works & Sewer Board
Atmos Energy
Bossier City Public Utilities
CenterPoint Energy
CDE Lightbrand – Clarksville Department
of Electricity
City of Batesville, Mississippi
City of Bogalusa, Louisiana
City of Brookhaven, Mississippi
City of Carthage, Mississippi
City of Columbia, Mississippi
City of Cornith Gas & Water
City of Fort Oglethorpe, Georgia
City of Gautier, Mississippi
City of Gulfport, Mississippi
City of Hammond, Louisiana
City of Hattiesburg, Mississippi
City of Longbeach, Mississippi
City of Lucedale, Mississippi
City of Marshall, Texas
City of McComb, Mississippi
City of Meridian, Mississippi
City of Monroe, Louisiana
City of Petal, Mississippi
City of Picayune, Mississippi
City of Ridgeland, Mississippi
City of Searcy, Arkansas
City of Slidell, Louisiana
City of Thomasville, Alabama
City of Tupelo
City of Tuscaloosa Water and Sewer
City of Waveland, Mississippi

City of Waynesboro, Mississippi
 City of West Point Water and Light
 Department
 City of Wiggins, Mississippi
 City of Zachary, Louisiana
 Cleco Power LLC
 Coast Electric Power Association
 Clarksville Gas & Water
 Columbus Light & Water Department
 Consolidated Waterworks District No 1
 Demopolis Water Works & Sewer Board
 Dothan Utility Services
 Emerald Coast Utilities Authority
 Entergy Arkansas
 Entergy Golf States Louisiana
 Entergy Louisiana
 Entergy Mississippi
 Euless City Water Office
 Four County Electric Power Association
 FPL Northwest FL
 Greenwood Utilities
 Homewood Property, LLC
 Huntsville Utilities
 Lafayette Utilities System
 Lewisburg Electric System
 Lewisburg Gas Department
 Lewisburg Water & Wastewater
 Louisville Electric System
 Madison Utilities
 Mobile Area Water and Sewer System
 Middle Tennessee Electric
 Mississippi Power
 Murfreesboro Water and Sewer Department
 Nashville Electric Service
 North Georgia EMC
 Pearly River Valley Electric Power
 Association
 Philadelphia Utilities
 Piedmont Natural Gas
 Rawls Springs Utility District
 Ripley Gas Water and Waste
 Searcy Water Utilities
 Singing River Electric
 Southern Pine Electric
 Spire Inc. (Alabama Gas Corporation;
 Wilmut Gas)

Southeast Alabama Gas District
 Southwestern Electric Power Company
 Summit Utilities
 Smyrna Utilities Department
 Starkville Utilities
 Tallahatchie Valley Electric
 Terrebonne Parish Consolidated
 Government
 Tippah Electric Power Association
 Town of Amite City, Louisiana
 Town of Blue Mountain, Mississippi
 Town of Franklinton, Louisiana
 Tupelo Water & Light
 TXU Energy
 Washington-St. Tammany Electric
 Cooperative, Inc.
 Water Authority of Dickson County
 Water Works and Sewer Board of the City
 of Jackson, Alabama
 West Escambia Utilities, Inc.

Litigation Parties

Andra Chaney
 Anthony Kenney
 Aqualin Brown
 Barry Murdock
 Benjamin Kuhn
 Bertha C. Murphy
 Ccm Associates II LLC
 Cynthia A. Collins
 Forrest General Hospital
 Greg Pender
 International Automotive Components
 Group North America, Inc.
 JBMW Enterprises Inc. d/b/a Servpro
 Central East Baton Rouge Parish
 Johnniemae Dixon
 Latanya Aristle
 Lawanda Moore
 Lobirtha Bardell
 Louis Harts, JR
 Louisiana Department of Health Office of
 Public Health - Permit Unit
 Lucy Bowens
 Mary Lynne Lapeyrouse-Moore
 Mia Gauthier

Milton 2434 South 1-35, LLC
 Patsy Hayes
 Rick Walter Skogg
 Robert J. Breland
 Ruby P. James
 Seth Marks
 Sonja Jones
 State Of Louisiana Department of Health
 Stormy Joleen Bretmann-Skogg
 Tennessee Department of Labor - LSU
 The State of Texas
 Tishema Brown
 Trustmark National Bank
 Wiceria Lanae Myers
 Y&O WF, LLC

Directors & Officers

Jeffrey B. Heckman
 John P. Chen
 Benjamin L. Nortman
 Evan Behrens
 Steven Wisch
 William L. Cornog

Governmental Agencies/Taxing

Authorities

Escambia County, Alabama
 Calhoun County, Alabama
 Clarke County, Alabama
 Coffee County, Alabama
 Covington County, Alabama
 Houston County, Alabama
 Lee County, Alabama
 Madison County, Alabama
 Mobile County, Alabama
 J.T. Smallwood, Tax Collector
 Susan D. Jones, Tax Collector
 Garland County, Arkansas
 Mississippi County Collector (Arkansas)
 Pulaski County, Arkansas
 Escambia County, Florida
 Catoosa County, Georgia
 Muscogee County, Georgia
 Bossier Parish, Louisiana
 City of Bogalusa, Louisiana
 City of Bossier City, Louisiana

City of Hammond, Louisiana
 City of Lafayette, Louisiana
 City of Monroe, Louisiana
 City of Ville Platte, Louisiana
 Evangeline Parish, Louisiana
 Lafayette Parish, Louisiana
 Parish of East Baton Rouge, Louisiana
 Ouachita Parish, Louisiana
 St. Tammany Parish, Louisiana
 Tangipahoa Parish, Louisiana
 Terrebonne Parish, Louisiana
 Town of Amite City, Louisiana
 Town of Franklinton, Louisiana
 Washington Parish, Louisiana
 Adams County, Mississippi
 Alcorn County, Mississippi
 Blake Pickering Tax Collector
 Charles E. Williams, Tax Collector
 City of Corinth, Mississippi
 City of Forest, Mississippi
 City of Louisville, Mississippi
 City of West Point, Mississippi
 Clay County, Mississippi
 Forrest County, Mississippi
 George County, Mississippi
 Harrison County, Mississippi
 Hancock County, Mississippi
 Jackson County, Mississippi
 Leake County, Mississippi
 Lee County, Mississippi
 Leflore County, Mississippi
 Marion County, Mississippi
 Madison County, Mississippi
 Monroe County, Mississippi
 Neshoba County, Mississippi
 Lauderdale County, Mississippi
 Lamar County, Mississippi
 Lowndes County, Mississippi
 Otibbeha County, Mississippi
 Panola County, Mississippi
 Pearl River County, Mississippi
 Pike County, Mississippi
 Rankin County, Mississippi
 Scott County, Mississippi
 Simpson County, Mississippi
 Tippah County, Mississippi

Wayne County, Mississippi
Winston County, Mississippi
Yazoo County, Mississippi
City of Clarksville, Tennessee
City of Fairview, Tennessee
City of Lewisburg, Tennessee
City of Memphis, Tennessee
City of Millington, Tennessee
City of Murfreesboro, Tennessee
Marshall County, Tennessee
Metropolitan Trustee
Montgomery County, Tennessee
Rutherford County, Tennessee
Shelby County, Tennessee
Williamson County, Tennessee
Bexar County, Texas
Brazoria County, Texas
Carrollton-Farmers Branch ISD
City of Tyler, Texas
CNP Utility District
Comal County, Texas
Dallas County, Texas
Denton County, Texas
Ellis County Tax Collector
Harris County, Texas
Harrison Central Appraisal District
Hill County Appraisal District Tax Collector
Hill County Tax Office
McLennan County, Texas
Nacogdoches Central Appraisal District
Smith County, Texas
Spring ISD Tax Office
Tarrant County, Texas
Taylor County Appraisal District

Judges

Dorsey, John T.
Goldblatt, Craig T.
Horan, Thomas M.
Owens, Karen B.
Shannon, Brendan L.
Silverstein, Laurie Selber
Stickles, J. Kate
Walrath, Mary F.

Office of the United States Trustee

Benjamin Hackman
Christine Green
Diane Giordano
Dion Wynn
Edith A. Serrano
Elizabeth Thomas
Fang Bu
Hannah M. McCollum
Hawa Konde
Holly Dice
James R. O'Malley
Jane Leamy
Jonathon Lipshie
Jonathon Nyaku
Joseph Cudia
Joseph McMahon
Lauren Attix
Linda Casey
Linda Richenderfer
Malcolm M. Bates
Michael Girello
Nyanquoi Jones
Richard Schepacarter
Rosa Sierra-Fox
Shakima L. Dortch
Timothy J. Fox, Jr.

SCHEDULE 2**Disclosures to Cole Schotz Retention Application**

Parties who are current or former clients of Cole Schotz in matters unrelated to the Chapter 11 Cases, whose names include the following:

Name of Interested Party Searched	Relationship to Debtors	Name of Entity that is a Cole Schotz Client	Relationship to Cole Schotz
Rite Aid	Material Vendors and Contract Counter Parties	Rite Aid	Current Client
Home Depot	Top 30 Unsecured Creditors	Home Depot	Current Client

As part of its diverse practice, Cole Schotz appears in numerous cases, proceedings and transactions involving many different professionals, including other attorneys, accountants, financial consultants and investment bankers, some of whom are or represent parties-in-interest in the Chapter 11 Cases. Cole Schotz does not, and will not, represent any such professional in the Chapter 11 Cases.

Furthermore, United States Bankruptcy Judge for the District of Delaware J. Kate Stickles was a former partner at Cole Schotz.

EXHIBIT B

Committee Declaration

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

In re:	)	
	)	Chapter 11
	)	
HDC HOLDINGS II, LLC, <i>et al.</i> ,	)	Case No. 24-12307 (TMH)
	)	
Debtors. ¹	)	(Jointly Administered)
	)	

**DECLARATION OF THERESA ADKINS IN
SUPPORT OF THE APPLICATION FOR AN ORDER
PURSUANT TO 11 U.S.C. §§ 328(a) AND 1103 AUTHORIZING
AND APPROVING THE RETENTION AND EMPLOYMENT OF
COLE SCHOTZ P.C. AS DELAWARE CO-COUNSEL TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF OCTOBER 25, 2024**

I, Theresa Adkins, hereby declare, pursuant to 28 U.S.C. § 1746, as follows:

1. My name is Theresa Adkins. I am over the age of 21 and am competent in all respects to make this Declaration. I am the Chairperson of the Official Committee of Unsecured Creditors (the “Committee”) of HDC Holdings II, LLC, *et al.* (collectively, the “Debtors”) in these chapter 11 cases (the “Chapter 11 Cases”).

2. I am authorized to make this declaration (this “Declaration”) in support of the Committee’s application (the “Application”)² seeking authorization to retain Cole Schotz P.C. (“Cole Schotz” or the “Firm”) as its Delaware co-counsel pursuant to sections 328(a) and 1103(a) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), Rule 2014

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are: HDC Holdings II, LLC (2013); HDC Holdings III, LLC (3296); CCM Capital Assets, LLC (9451); Channel Control Merchants, LLC (3319); Dirt Cheap I, LLC (9433); CCM Support Services, LLC (2059); CCM Wholesale SE, LLC (7219); Channel Control Merchants of Texas, LLC (8091); Creative Sales Solutions, LLC (1691); Dirt Cheap Arkansas, LLC (0244); Dirt Cheap Building Supplies, LLC (0880); Dirt Cheap of Georgia, LLC (0269); Dirt Cheap of Louisiana, LLC (0067); Dirt Cheap SE, LLC (4928); Dirt Cheap Tennessee, LLC (1273); Treasure Hunt, LLC (9393); CCM Wholesale, LLC (7219); Channel Control Merchants of California, LLC (9011); and CAL Support Services, LLC (2859). The Debtors’ headquarters are located at 6892 US Hwy 49 North, Hattiesburg, Mississippi 39402.

² Capitalized terms not defined herein shall have the meanings ascribed to them in the Application.

of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”). Except as otherwise noted, I have personal knowledge as to all of the information set forth below.

3. This Declaration is provided pursuant to the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases Effective as of November 1, 2013* (the “Revised UST Guidelines”). Except as otherwise noted, all facts in this Declaration are based on my personal knowledge of the matters set forth herein, information gathered from my review of relevant documents and information supplied to me by Cole Schotz.

4. I am informed by counsel that Paragraph D.2 of the Revised UST Guidelines suggests that any application for employment of an attorney under 11 U.S.C. §§ 327 or 1103 be accompanied by a verified statement from the client that addresses the following:

- (a) The identity and position of the person making the verification. The person ordinarily should be the general counsel of the debtor or another officer responsible for supervising outside counsel and monitoring and controlling legal costs.
- (b) The steps taken by the client to ensure that the applicant’s billing rates and material terms for the engagement are comparable to the applicant’s billing rates and terms for other non-bankruptcy engagements and to the billing rates and terms of other comparably skilled professionals.
- (c) The number of firms the client interviewed.
- (d) If the billing rates are not comparable to the applicant’s billing rates for other non-bankruptcy engagements and to the billing rates of other comparably skilled professionals, the circumstances warranting the retention of that firm.
- (e) The procedures the client has established to supervise the applicant’s fees and expenses and to manage costs. If the procedure for the budgeting, review and approval of fees and expenses differ from those the client

regularly employs in non-bankruptcy cases to supervise outside general counsel, explain how and why. In addition, describe any efforts to negotiate rates including rates for routine matters, or in the alternative to delegate such matters to less expensive counsel.

Identity of Declarant

5. On October 23, 2024, the Office of the United States Trustee for Region 3 (the “U.S. Trustee”) appointed a five-member Committee consisting of: (i) The Recon Group LLP.; (ii) Minglewood Properties, Ltd.; (iii) Academy, Ltd. d/b/a Academy + Outdoors; (iv) Nordstrom, Inc.; and (v) Concord USA LLC. See Docket No. 69. Academy, Ltd. d/b/a Academy + Outdoors serves as the Chairperson of the Committee.

6. As the Chairperson and a member of the Committee, I was directly involved in the Committee’s decision to retain Cole Schotz.

Steps Taken to Ensure the Comparability of Engagement Terms

7. Cole Schotz has informed the Committee that its rates for bankruptcy representations are comparable to the rates Cole Schotz charges for non-bankruptcy representations, and that Cole Schotz endeavors to set its hourly rates for attorneys and professionals at levels competitive to those charged by peer firms.

8. Following its formation, the Committee interviewed multiple law firms to represent the Committee as lead bankruptcy counsel in these Chapter 11 Cases. After interviewing each of these firms and selecting Orrick as lead bankruptcy counsel, the Committee discussed options for Delaware co-counsel and found Cole Schotz to be qualified for the present engagement. As described in the Application, the Committee selected Cole Schotz as its Delaware co-counsel because of its extensive experience representing committees and other parties in chapter 11 proceedings, as well as its knowledge and expertise in the fields of, *inter alia*, debtors’ and creditors’ rights and bankruptcy. In addition, several of the attorneys at Cole Schotz are members

in good standing of the Bar of the Supreme Court of Delaware and regularly practice before this Court. Therefore, it is the Committee's opinion that Cole Schotz is well qualified to represent and assist the Committee in performing its duties in the Chapter 11 Cases.

Rate Structure

9. Cole Schotz has informed the Committee that its hourly rates are subject to periodic adjustments (typically on or about September 1 of each year) to reflect economic and other conditions.

10. By virtue of the foregoing, and for the reasons set forth in the Application and the Alberto Declaration, the Committee believes that Cole Schotz is well qualified to represent the Committee in the Chapter 11 Cases as Delaware co-counsel and seeks entry of an order in the form attached to the Application authorizing the Committee to retain Cole Schotz effective as of October 25, 2024 in accordance with the terms set forth in the Application and the Alberto Declaration.

Procedures Established to Supervise Fees and Expenses and Manage Costs

11. I understand that Cole Schotz will be using budget and staffing reports for legal services provided to the Committee during this engagement. The Committee recognizes that in the course of a chapter 11 case, there may be unforeseeable fees and expenses that will need to be addressed by the Committee and Cole Schotz. Therefore, the Committee recognizes that it is its responsibility to closely monitor the billing practices of its counsel to ensure that the fees and expenses paid by the estates remain consistent with the Committee's expectations and exigencies of these cases. The Committee will continue to review the invoices submitted by Cole Schotz, and together with Cole Schotz, may periodically amend the budget and staffing plan as the cases develop to reflect changed circumstances or unanticipated developments.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: November 15, 2024

**THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF HDC
HOLDINGS II, LLC, *et al.***

/s/ Theresa Adkins

By: Theresa Adkins

On behalf of Academy, Ltd. d/b/a Academy +
Outdoors

Solely in her capacity as Chairperson of the
Official Committee of Unsecured Creditors of
HDC Holdings II, LLC, *et al.*

EXHIBIT C

Proposed Order

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

In re:	)	Chapter 11
	)	
HDC HOLDINGS II, LLC, <i>et al.</i> ,	)	Case No. 24-12307 (TMH)
	)	
Debtors. ¹	)	(Jointly Administered)
	)	
	)	Re: Docket No. [●]

ORDER PURSUANT TO 11 U.S.C. §§ 328(a) AND 1103 AUTHORIZING AND APPROVING THE RETENTION AND EMPLOYMENT OF COLE SCHOTZ P.C. AS DELAWARE CO-COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF TO OCTOBER 25, 2024

Upon the application (the “Application”)² of the Official Committee of Unsecured Creditors (the “Committee”) of HDC Holdings II, LLC, *et al.* (collectively, the “Debtors”) for entry of an order, pursuant to sections 328(a) and 1103(a) of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), authorizing the Committee to retain and employ Cole Schotz P.C. (“Cole Schotz”) as its Delaware co-counsel in connection with the Debtors’ chapter 11 cases (the “Chapter 11 Cases”) effective as of October 25, 2024, and upon the declaration of Justin R. Alberto, a member in the Bankruptcy & Corporate Restructuring group of Cole Schotz (the “Alberto Declaration”), and the declaration of Theresa

1 The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are: HDC Holdings II, LLC (2013); HDC Holdings III, LLC (3296); CCM Capital Assets, LLC (9451); Channel Control Merchants, LLC (3319); Dirt Cheap I, LLC (9433); CCM Support Services, LLC (2059); CCM Wholesale SE, LLC (7219); Channel Control Merchants of Texas, LLC (8091); Creative Sales Solutions, LLC (1691); Dirt Cheap Arkansas, LLC (0244); Dirt Cheap Building Supplies, LLC (0880); Dirt Cheap of Georgia, LLC (0269); Dirt Cheap of Louisiana, LLC (0067); Dirt Cheap SE, LLC (4928); Dirt Cheap Tennessee, LLC (1273); Treasure Hunt, LLC (9393); CCM Wholesale, LLC (7219); Channel Control Merchants of California, LLC (9011); and CAL Support Services, LLC (2859). The Debtors' headquarters are located at 6892 US Hwy 49 North, Hattiesburg, Mississippi 39402.

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Application.

Adkins, as Chairperson of the Committee (the “Committee Declaration”, and together with the Alberto Declaration, the “Declarations”); and it appearing that the attorneys of Cole Schotz who will perform services on behalf of the Committee in the Chapter 11 Cases are duly qualified to practice before this Court; and the United States District Court for the District of Delaware having jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to the Court under 28 U.S.C. § 157 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court finding, based on the representations made in the Application and the Declarations, that Cole Schotz does not represent any interest adverse to the Committee or the Debtors’ estates with respect to the matters upon which it is to be engaged, that it is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, that its employment is necessary and appropriate and in the best interests of the Committee and the Debtors’ estates; and finding that adequate notice of the Application having been given; and it appearing that no other notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED that:

1. The Application is APPROVED as set forth herein.
2. The Committee is hereby authorized to retain and employ Cole Schotz as its Delaware co-counsel in these Chapter 11 Cases, effective as of October 25, 2024, pursuant to sections 328(a) and 1103 of the Bankruptcy Code, as contemplated by the Application and on the

terms provided in the Application and the Alberto Declaration, and Cole Schotz is authorized to perform the services set forth in the Application and in the Alberto Declaration.

3. Cole Schotz shall be compensated in accordance with procedures set forth in sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules as may then be applicable from time to time, and such procedures as may be fixed by order of this Court.

4. Notwithstanding anything to the contrary in the Application or the Alberto Declaration, Cole Schotz shall not seek reimbursement of any fees or costs arising from the defense of any of Cole Schotz's fee applications in these Chapter 11 Cases.

5. Cole Schotz shall make a reasonable effort to comply with the U.S. Trustee's requests for information and additional disclosures as set forth in the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases Effective as of November 1, 2013* (the "Revised UST Guidelines") in connection with any interim or final fee applications Cole Schotz files in the Chapter 11 Cases.

6. Consistent with the Revised UST Guidelines, Cole Schotz shall provide ten (10) business days' notice to the Debtors and the U.S. Trustee before any increases in the rates set forth in the Application are implemented and shall file such notice with the Court. The U.S. Trustee retains all rights to object to any rate increase on all grounds, including the reasonableness standard set forth in section 330 of the Bankruptcy Code, and the Court retains the right to review any rate increase pursuant to section 330 of the Bankruptcy Code.

7. Notwithstanding anything in the Application to the contrary, Cole Schotz shall (i) to the extent that it uses the services of independent contractors or subcontractors (collectively, the "Contractors") in these cases, pass through the cost of such Contractors at the same rate that Cole Schotz pays the Contractors; (ii) seek reimbursement for actual costs only;

(iii) ensure that the Contractors are subject to the same conflicts checks as required for Cole Schotz; and (iv) file with this Court such disclosures required by Bankruptcy Rule 2014.

8. Cole Schotz shall use its reasonable efforts to avoid any duplication of services provided by any of the Committee's other retained professionals in these Chapter 11 Cases.

9. To the extent that there may be any inconsistency among the terms of the Application, the Alberto Declaration and this Order, the terms of this Order shall govern.

10. The Committee is authorized and empowered to take all actions necessary to effectuate the relief granted by this Order.

11. Notwithstanding the possible applicability of Bankruptcy Rules 6004, 7062, 9014 or otherwise, or any Local Rule that might otherwise delay the effectiveness of this Order, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

12. The Court shall retain jurisdiction to hear and determine all matters arising under or related to the implementation or interpretation of this Order.