

**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 GENESIS
CREDIT PARTNERS LLC AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF OCTOBER 29, 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 Genesis Credit Partners LLC (“Genesis”) as financial advisor to the Committee effective as of October 29, 2024. In support of

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.

the Application, the Committee submits the declaration of Edward Kim attached hereto as **Exhibit B** (the “Kim 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 the 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”), the Debtors filed with this Court voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

6. The Debtors have continued in the possession of their property and have continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

7. On October 23, 2024, 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 (“Academy”); (iv) Nordstrom, Inc.; and (v) Concord USA LLC.

8. On October 25, 2024, the Committee selected Orrick, Herrington & Sutcliffe LLP (“Orrick”) to serve as counsel and Cole Schotz P.C. (“Cole Schotz”) to serve as Delaware co-counsel.

9. On October 29, 2024, the Committee selected Genesis to serve as its financial advisor.

10. No trustee or examiner has been appointed in these Chapter 11 Cases.

RELIEF REQUESTED

11. By this Application, the Committee seeks to employ and retain Genesis, pursuant to sections 328 and 1103 of the Bankruptcy Code, to perform financial advisory services for the Committee in these Chapter 11 Cases.

12. The Committee is familiar with the professional standing and reputation of Genesis. The Committee understands and recognizes that Genesis is a nationally recognized financial advisory firm and its professionals have a wealth of experience in operational and financial restructurings and providing support for investigations and litigation in connection with financial restructurings. Genesis’ professionals have extensive experience in turnarounds, corporate restructuring and bankruptcy and corporate financing, with the senior members of its team having worked on (on a combined basis) over one hundred restructurings as advisor or principal. In doing this, Genesis and its professionals have assisted and provided strategic advice to debtors, creditors, bondholders, investors and other entities, including official committees of unsecured creditors, in numerous chapter 11 cases of similar size and complexity to the Debtors’ Chapter 11 Cases.

13. The services of Genesis are necessary to enable the Committee to assess and monitor the efforts of the Debtors and their professional advisors to maximize the value of their estates. Further, Genesis is well-qualified and able to represent the Committee in a cost-effective, efficient and timely manner.

SCOPE OF SERVICES

14. Genesis will provide such financial advisory services to the Committee as it deems appropriate and feasible to advise the Committee in the course of these Chapter 11 Cases, including but not limited to the following:

- Reviewing and analyzing financial and other related disclosures;
- Assessing and monitoring the Debtors' short-term cash flow, liquidity and operating results;
- Reviewing and benchmarking any proposed key employee retention, other employee benefit programs or other similar proposals by the Debtors;
- Analyzing the Debtors' core business assets and operations;
- Evaluating the Debtors' cost / benefit analysis with respect to the assumption or rejection of various executory contracts and leases;
- Monitoring and analyzing GOB sales and asset liquidations and potential acquisition of stores and related assets by third parties;
- Analyzing any claims reconciliation and estimation processes;
- Reviewing financial information prepared by the Debtors, including, but not limited to, cash flow projections and budgets, business plans, cash receipts and disbursement analysis, asset and liability analyses across the Debtors' entities and affiliates and the economic analysis of proposed transactions for which Court approval is sought;
- Reviewing historical financial and operational information provided by the Debtors or other third parties in coordination with counsel;
- Attending meetings and assisting in discussions with the Debtors, potential investors, secured lenders, the Committee and/or any other official committees appointed in the Chapter 11 Cases, the U.S. Trustee, other parties in interest and professionals hired by the same, as requested;

- Reviewing and/or preparing information and analysis necessary for the confirmation of a plan and related disclosure statement in the Chapter 11 Cases;
- Investigating, evaluating and analyzing avoidance actions and/or preferential transfers;
- Assisting with the prosecution of Committee responses / objections to the Debtors' motions, including by attending depositions and providing expert reports/testimony on case issues;
- Rendering such other general business consulting or providing such other assistance as the Committee or its counsel may deem necessary that are consistent with the role of a financial advisor and not duplicative of services provided by other professionals in these proceedings; and
- Coordinating with counsel on the above workstreams, strategy and work product.

GENESIS' ELIGIBILITY FOR EMPLOYMENT

15. The Committee has reviewed the Kim Declaration and believes that Genesis is “disinterested” as that term is defined in section 101(14) of the Bankruptcy Code and does not hold or represent an interest adverse to the Debtors' estates with respect to the matters for which Genesis is to be employed. To the best of the Committee's knowledge and based upon the Kim Declaration: (a) Genesis' connections with the Debtors, creditors, any other party in interest and their respective attorneys are disclosed on Schedule 2 to the Kim Declaration and (b) the Genesis professionals working on this matter are not relatives of the U.S. Trustee or of any known employee in the office thereof or any United States Bankruptcy Judge of the District of Delaware. Genesis has not provided and will not provide any professional services to the Debtors, any of the creditors, other parties-in-interest or their respective attorneys and accountants with regard to any material matter related to these Chapter 11 Cases.

16. Genesis will conduct ongoing reviews of its files to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new material facts or relationships are discovered, Genesis will supplement its disclosures to the Court.

17. Genesis has agreed not to share with any person or firm the compensation to be paid for professional services rendered by Genesis in connection with these Chapter 11 Cases.

TERMS OF RETENTION

18. Genesis is not owed any amounts with respect to pre-petition fees and expenses.

19. The Committee understands that Genesis intends to apply to the Court for allowance of compensation and reimbursement of expenses for its financial advisory services in accordance with sections 328, 330 and 331 of the Bankruptcy Code. Genesis seeks to be compensated on an hourly fee basis, plus reimbursement of actual and necessary expenses incurred by Genesis. Actual and necessary expenses would include any reasonable legal fees incurred by Genesis related to Genesis' retention in the Chapter 11 Cases or the preparation of future fee applications, subject to Court approval.

20. Genesis' customary hourly rates, subject to periodic adjustments, for the Genesis professionals anticipated to be assigned to this case are as follows:

<u>Professional</u>	<u>Hourly Rate</u>
Edward Kim (Partner)	\$1,000
Jorge Gonzalez (Partner)	\$1,000
Andre Artidiello (Director)	\$700
Eric Mendez (Director)	\$700
Ivan Radi (VP)	\$550
Vinai Sewaliah (Sr Analyst)	\$400
Pedro Leme (Analyst)	\$300

21. In light of the foregoing, the Committee believes that the proposed fee structure is reasonable, market-based and designed to fairly compensate Genesis for its work in these Chapter 11 Cases and to cover fixed and routine overhead expenses.

22. Genesis understands that interim and final fee awards are subject to approval by this Court.

NOTICE

23. 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

24. 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 A**, authorizing and approving the Committee's retention and employment of Genesis as its financial advisor, effective as of October 29, 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 Committee and not in any individual
capacity.

**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 GENESIS
CREDIT PARTNERS LLC AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF OCTOBER 29, 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”), 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 Genesis Credit Partners LLC as Financial Advisor to the Official Committee of Unsecured Creditors Effective as of October 29, 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)** before The Honorable Thomas

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.

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
Wilmington, Delaware

/s/ Michael E. Fitzpatrick

COLE SCHOTZ P.C.

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-and-

Raniero D'Aversa (admitted *pro hac vice*)
Mark Franke (admitted *pro hac vice*)
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*Proposed Counsel to the Official
Committee of Unsecured Creditors*

EXHIBIT A

Proposed Order

**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)

Docket No. [●]

**ORDER PURSUANT TO 11 U.S.C. §§ 328(A) AND 1103 AUTHORIZING
AND APPROVING THE RETENTION AND EMPLOYMENT OF GENESIS
CREDIT PARTNERS LLC AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF OCTOBER 29, 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 Genesis Credit Partners LLC (“Genesis”) as its financial advisor in connection with the Debtors’ chapter 11 cases (the “Chapter 11 Cases”) effective as of October 29, 2024, and upon the declaration of Edward

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

Kim (the “Kim Declaration”); 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 Kim Declaration, that Genesis 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 Genesis as its financial advisor in these Chapter 11 Cases, effective as of October 29, 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 Kim Declaration, and Genesis is authorized to perform the services set forth in the Application and in the Kim Declaration, as may be modified by this Order.
3. Genesis shall be compensated in accordance with the 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 Kim Declaration, Genesis shall not seek reimbursement of any fees or costs arising from the defense of any of Genesis' fee applications in these Chapter 11 Cases.

5. Genesis shall provide ten (10) business days' notice to the Debtors and the U.S. Trustee before any increase 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.

6. Genesis 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.

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

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

9. 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.

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

EXHIBIT B

Kim 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
EDWARD KIM 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 GENESIS
CREDIT PARTNERS LLC AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF OCTOBER 29, 2024**

Pursuant to 28 U.S.C. § 1746, I, Edward Kim, declare as follows:

1. I am a partner with Genesis Credit Partners LLC (“Genesis”). I submit this declaration (the “Declaration”) on behalf of Genesis in support of the application (the “Application”)² of the Official Committee of Unsecured Creditors (the “Committee”) of HDC Holdings II, LLC, *et al.* (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) for an order authorizing the employment and retention of Genesis as the Committee’s financial advisor under the terms and conditions set forth in the Application. Except

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² Capitalized terms used but not defined herein shall have the same meaning ascribed to them in the Application.

as otherwise noted,³ I have personal knowledge of the matters herein.

DISINTERESTEDNESS AND ELIGIBILITY

2. In connection with the preparation of this Declaration, Genesis conducted a review of its contacts with the Debtors, their affiliates, certain entities holding large claims against or interests in the Debtors, as well as other parties-in-interest, that were made known to Genesis. A listing of the parties reviewed is reflected on **Schedule 1** to this Declaration. Genesis' review, completed under my supervision, consisted of a query of the **Schedule 1** parties within an internal computer database containing names of individuals and entities that are present or recent former clients of Genesis. A listing of such relationships that Genesis identified during this process is set forth on **Schedule 2** to this Declaration.

3. Based on the results of its review, Genesis does not have a relationship with any of the parties on **Schedule 1** in matters related to the Debtors or the Debtors' Chapter 11 Cases. Genesis has provided and could reasonably expect to continue to provide services unrelated to the Debtors or the Debtors' Chapter 11 Cases for the various entities identified on **Schedule 2**. Genesis' assistance to these parties has been related to providing various financial and operational restructuring, litigation support and similar consulting services in matters unrelated to the Debtors or the Debtors' Chapter 11 Cases. To the best of my knowledge and except as otherwise disclosed herein, no services have been provided to these parties in interest that involve their rights in the Debtors' Chapter 11 Cases, nor does Genesis' involvement in these Chapter 11 Cases compromise its ability to continue such consulting services.

4. As part of its diverse practice, Genesis appears in numerous cases, proceedings and

³ Certain of the disclosures herein relate to matters within the personal knowledge of other professionals at Genesis and are based on information provided by them.

transactions that involve many different professionals, including attorneys, accountants and financial consultants, who may represent claimants and parties-in-interest in the Debtors' Chapter 11 Cases. Also, Genesis has performed in the past, and may perform in the future, advisory consulting services for various attorneys and law firms, and has been represented by several attorneys and law firms, some of whom may be involved in these proceedings. In addition, Genesis has in the past, may currently and in the future likely will be working with or against other professionals involved in these Chapter 11 Cases in matters unrelated to the Debtors and these Chapter 11 Cases. Based on Genesis' current knowledge of the professionals involved, and to the best of my knowledge, none of these relationships create interests adverse to the Debtors' estates and none are in connection with the Debtors' Chapter 11 Cases.

5. Genesis is not a "creditor" of the Debtors within the meaning of section 101(10) of the Bankruptcy Code. Further, neither I nor any other member of the Genesis engagement team serving the Committee, to the best of my knowledge, (a) is a creditor, equity security holder or insider of the Debtors; (b) is or has been within two years before the Petition Date, a director, officer or employee of the Debtors; or (c) has any interest materially adverse to the interests of the Debtors' 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. As such, to the best of my knowledge, and based upon the results of the relationship search described above and disclosed herein, Genesis (i) is a "disinterested person" as defined in section 101(14) of the Bankruptcy Code and (ii) does not hold or represent any interest adverse to the Debtors' estates. Therefore, Genesis believes it is eligible to represent the Committee under section 1103(b) of the Bankruptcy Code.

6. It is Genesis' policy and intent to update its relationship search for additional parties

in interest in an expedient manner. If any new relevant facts or relationships are discovered by Genesis, then Genesis will file a supplemental declaration pursuant to Bankruptcy Rule 2014(a).

PROFESSIONAL COMPENSATION

7. Subject to Court approval and in accordance with the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, Local Rules, orders of this Court and applicable U.S. Trustee guidelines, Genesis will seek payment for compensation on an hourly basis, plus reimbursement of actual and necessary expenses incurred by Genesis, including legal fees related to the Application and the preparation of future fee applications, as approved by the Court. Genesis' customary hourly rates as charged in bankruptcy and non-bankruptcy matters of this type by the professionals assigned to this engagement are outlined in the Application. These hourly rates are adjusted periodically.

8. According to Genesis' books and records, during the twelve (12) month period prior to the Petition Date, Genesis performed no professional services nor incurred any reimbursable expenses on behalf of the Committee.

9. To the best of my knowledge: (i) no commitments have been made or received by Genesis with respect to compensation or payment in connection with these Chapter 11 Cases other than in accordance with the provisions of the Bankruptcy Code and (ii) Genesis has no agreement with any other entity to share with such entity any compensation received by Genesis in connection with these Chapter 11 Cases.

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

Executed on November 15, 2024
Wilmington, Delaware

/s/ Edward Kim

Edward Kim, Partner
Genesis Credit Partners LLC

SCHEDULE 1

Parties in Interest List

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-Bloomingtons
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;
Wilmot 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

Potential Connections or Related Parties

**INTERESTED PARTIES OR THEIR AFFILIATES WHO GENESIS CREDIT
PARTNERS LLC HAS, OR MAY HAVE, REPRESENTED WITHIN THE LAST TWO
YEARS IN MATTERS UNRELATED TO THE CHAPTER 11 CASES**

Interested Parties¹	Relationship to Debtors	Clients & Their Affiliates
None Identified		

¹ This column lists the Interested Parties identified by the Debtors. There may be certain entities for whom, due to the vague nature of the names of the parties provided by the Debtors, Genesis was unable to determine whether Genesis' client constitutes an affiliate of such party. As a result, in certain circumstances, Genesis assumed that certain parties using common or similar corporate names were affiliated for purposes of this Declaration.