

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

In re:

HDC HOLDINGS II, LLC, *et al.*,¹

Debtors.

)
) 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 OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR AN ORDER AUTHORIZING AND APPROVING THE EMPLOYMENT AND
RETENTION OF ORRICK, HERRINGTON & SUTCLIFFE LLP AS
COUNSEL EFFECTIVE AS OF OCTOBER 25, 2024**

The Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), hereby files this application (the “Application”), pursuant to sections 328(a) and 1103(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), rules 2014 and 5002 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 (as amended, the “Local Rules”), for the entry of an order, substantially in the form attached hereto as Exhibit A, authorizing and approving the employment and retention of Orrick, Herrington & Sutcliffe LLP (“Orrick”) as counsel to the Committee effective as of October 25, 2024. In support of this Application, the Committee submits

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 Declaration of Raniero D'Aversa Jr., a copy of which is attached hereto as Exhibit B (the "D'Aversa Declaration") along with the Declaration of Theresa Adkins of Academy, Ltd. d/b/a Academy + Outdoors ("Academy"), Chairperson of the Committee, a copy of which is attached hereto as Exhibit C (the "Adkins Declaration"), and respectfully states as follows:

BACKGROUND

1. On October 10, 2024 (the "Petition Date"), the Debtors filed with this Court voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

2. 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.

3. 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 Sports + Outdoors; (iv) Nordstrom, Inc.; and (v) Concord USA LLC.

4. The Committee selected Orrick to serve as counsel, and Cole Schotz P.C. ("Cole Schotz") to serve as Delaware co-counsel.

5. No trustee or examiner has been appointed in these chapter 11 cases.

JURISDICTION

6. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicates for the relief requested herein are sections 328(a) and 1103(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 5002, and Local Rule 2014-1.

7. Pursuant to Local Rule 9013-1(f), the Committee consents to the entry of a final judgment or order with respect to the Application, even if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

RELIEF REQUESTED

8. By this Application, pursuant to sections 328(a) and 1103(a) of the Bankruptcy Code and Bankruptcy Rule 2014, the Committee requests entry of the proposed order attached hereto as Exhibit A, authorizing and approving the employment and retention of Orrick effective as of October 25, 2024 in connection with these chapter 11 cases. By separate application, the Committee will request that the Court approve the retention and employment of Delaware co-counsel Cole Schotz.

9. The Committee respectfully submits that it will be necessary to employ and retain Orrick pursuant to sections 328(a) and 1103(a) of the Bankruptcy Code to render the following services, among others, as directed by the Committee:

- Advise the Committee with respect to its rights, powers and duties in these cases;
- Assist, advise and represent the Committee in analyzing the Debtors' assets and liabilities and participating in and reviewing any proposed asset sales or dispositions;
- Attend meetings and negotiate with the representatives of the Debtors;
- Assist and advise the Committee in its examination and analysis of the conduct of the Debtors' affairs;
- Assist the Committee in the review, analysis and negotiation of any plan(s) that may be filed and to assist the Committee in the review, analysis and negotiation of the disclosure statement accompanying any plan(s);
- Investigate and determine the value of unencumbered assets;

- Analyze and negotiate the budget and monitor the Debtors' financial performance in chapter 11;
- Assist and advise the Committee with respect to its communications with the general creditor body regarding significant matters in these cases;
- Review and analyze the work product of the Debtors' interim management services provider and other advisors and report to the Committee;
- Provide the Committee with legal advice in relation to the chapter 11 cases;
- Take all necessary action to protect and preserve the interests of unsecured creditors, including, without limitation, the prosecution of actions on its behalf, negotiations concerning all litigation in which the Debtors are involved, and review and analysis of all claims filed against the Debtors' estates;
- Generally prepare and file on behalf of the Committee all necessary motions, applications, answers, memoranda of law, orders, reports and papers in support of positions taken by the Committee;
- Appear, as appropriate, before this Court, the Appellate Courts, and other Courts in which matters may be heard and to protect the interests of the Committee before said Courts and the U.S. Trustee; and
- Perform such other legal services in these cases as may be required and are deemed to be in the interests of the Committee and unsecured creditors in accordance with the Committee's powers and duties as set forth in the Bankruptcy Code.

10. Orrick has agreed to act on behalf of, and to render such services to, the Committee.

11. In performance of such duties, Orrick shall report to the Committee.

12. Orrick's retention by the Committee is necessary because Orrick has recognized expertise and extensive experience and knowledge in the field of business reorganizations and liquidations under the Bankruptcy Code and insolvency and commercial law, and is well qualified to undertake the responsibilities as counsel to the Committee.

DISCLOSURES

13. To the best of the Committee's knowledge, information and belief, based on and other than as set forth in the D'Aversa Declaration, a copy of which is attached hereto as Exhibit

B, Orrick does not have any connection with or represent any interest adverse to the Debtors, their creditors or any other party-in-interest, their attorneys and accountants, the U.S. Trustee or any person employed in the office of the U.S. Trustee. The D'Aversa Declaration sets forth, pursuant to Bankruptcy Rule 2014(a), to the best of the declarant's knowledge, Orrick's connections with the Debtors, known creditors, other known parties in interest, their respective attorneys and accountants, the U.S. Trustee and any person employed in the office of the U.S. Trustee. However, Orrick is a large firm with a national practice and may represent or have represented certain of the Debtors' creditors or equity holders in matters unrelated to these cases.

14. Because of the legal services that may be necessary in these cases, and the fact that the nature and extent of such services are not known at this time, the Committee believes that the employment of Orrick for all Committee purposes would be appropriate and in the best interests of the creditor body that the Committee represents.

15. The Committee requests that Orrick's retention be approved, effective as of October 25, 2024. The Committee believes retention effective as of October 25, 2024—the date Orrick was selected as counsel—is appropriate due to the nature of these cases and the need for the Committee to have representation as early as possible. Additionally, Orrick began work on the Committee's behalf on such date.

COMPENSATION OF ORRICK

16. Orrick has agreed to make appropriate applications to this Court for compensation and reimbursement of expenses in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any Order entered by this Court in these chapter 11 cases modifying the timing and/or procedures applicable to the payment of interim compensation and reimbursement of expenses.

17. Orrick will provide a 20% discount off of its hourly rates for all attorneys and paraprofessionals involved in this representation. The principal attorneys and paraprofessionals that Orrick anticipates will render services to the Committee and their hourly rates—reflecting the aforementioned discounts—are as follows:

Raniero D'Aversa (Partner)	\$1,680
Nicholas Poli (Partner)	\$1,084
Mark Franke (Of Counsel)	\$1,068
Brandon Batzel (Senior Associate)	\$1,024
Ari Roytenberg (Senior Associate)	\$1,024
Michael Trentin (Managing Associate):	\$960
Jenna MacDonald Busche (Managing Associate):	\$844
Daniel Carnie (Associate)	\$620
Paraprofessionals	\$260-\$544

18. These hourly rates are subject to periodic increase in the normal course of Orrick's business. From time to time, other attorneys at Orrick may provide services to the Committee. Orrick's rates are set at a level designed to fairly compensate Orrick for the work of its attorneys and paraprofessionals and to cover fixed and routine overhead expenses. It is Orrick's policy to charge its clients in all areas of practice for all other out-of-pocket expenses and disbursements incurred in connection with the client's cases. The customary expenses charged include, among other things, telephone and telecopier toll charges, photocopying charges, filing costs, postage, witness fees, travel expenses, expenses for "working meals," computerized research, as well as non-ordinary expenses.

STATEMENT REGARDING UNITED STATES TRUSTEE GUIDELINES

19. The Committee understands that Orrick intends later in these cases to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with the Debtors' 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. Orrick also intends to comply with the U.S. Trustee's reasonable 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 "Appendix B Guidelines"), both in connection with this Application and the interim and final fee applications to be filed by Orrick.

20. The following is provided in response to the request for additional information set forth in Paragraph D.1. of the Appendix B Guidelines:

(a) Orrick has agreed to variations from, or alternatives to, its customary billing arrangements for this engagement. Orrick will provide a 20% discount off of its hourly rates for all attorneys and paraprofessionals involved in this representation.

(b) No professional included in this engagement varies their rate based on the geographic location of the bankruptcy cases.

(c) Orrick has not represented the Committee in the 12 months prepetition and, consequently, there are no billing rates and material financial terms for the prepetition engagement, including any adjustments during the 12 months prepetition to disclose, and Orrick's billing rates and material financial terms have not changed postpetition.

(d) The Committee and its counsel are currently in the process of formulating a detailed budget that is consistent with the form of budget attached as Exhibit C-1 to the Appendix B Guidelines, recognizing that in the course of large cases like these chapter 11 cases, it is highly likely that there may be a number of unforeseen fees and expenses that will need to be addressed by the Committee and its counsel.

20. The Committee requests approval of the employment of Orrick as counsel effective as of October 25, 2024. Such relief is warranted by the circumstances presented by these chapter 11 cases.

NO PRIOR REQUEST

21. No previous request for the relief sought herein has been made to this or any other court.

NOTICE

22. Notice of this Application is being given to: (i) the Office of the U.S. Trustee for the District of Delaware; (ii) counsel to the Debtors; (iii) counsel for BMO Bank, N.A.; (iv) holders of the thirty (30) largest unsecured claims on a consolidated basis against the Debtors; (v) the Internal Revenue Service; (vi) the Office of the United States Attorney for the District of Delaware; and (vii) any party that has requested notice pursuant to Bankruptcy Rule 2002 in these chapter 11 cases. Due to the nature of the relief requested herein, the Committee respectfully submits that no further notice of this Application is necessary.

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WHEREFORE, the Committee respectfully requests entry of an order, in a form substantially similar to that attached hereto as Exhibit A, pursuant to sections 328(a) and 1103(a) of the Bankruptcy Code, authorizing and approving the retention and employment of Orrick as counsel to the Committee in these chapter 11 cases, effective as of October 25, 2024, and granting such other and further relief as may be just and proper.

Dated: November 15, 2024

**OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF HDC HOLDINGS II, LLC,
ET AL.**

/s/ Theresa Adkins

Theresa Adkins, solely in her capacity as
Chairperson of the Committee and not in any
individual capacity

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:

HDC HOLDINGS II, LLC, *et al.*,¹

Debtors.

)
) 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 OF OFFICIAL COMMITTEE OF
UNSECURED CREDITORS FOR AUTHORITY TO EMPLOY AND RETAIN
ORRICK, HERRINGTON & SUTCLIFFE LLP AS
COUNSEL EFFECTIVE AS OF OCTOBER 25, 2024**

PLEASE TAKE NOTICE that, on November 15, 2024, the Official Committee of Unsecured Creditors (the “Committee”) filed the *Application of the Official Committee of Unsecured Creditors for an Order Authorizing and Approving the Employment and Retention of Orrick, Herrington & Sutcliffe LLP as Counsel Effective as of October 25, 2024* (the “Application”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

An objection, if any, to the Application must be in writing, filed with the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, and served upon undersigned proposed counsel for the Committee, so that it is received **on or before 4:00 p.m. (ET) on November 29, 2024**.

A HEARING ON THE MOTION WILL BE HELD ON **DECEMBER 12, 2024 AT 2:00 P.M. (ET)** BEFORE THE HONORABLE THOMAS M. HORAN, UNITED STATES BANKRUPTCY JUDGE, UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 3RD FLOOR, COURTROOM NO. 7, 824 NORTH MARKET STREET, WILMINGTON, DELAWARE 19801.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

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.

Dated: November 15, 2024
Wilmington, Delaware

/s/ Michael E. Fitzpatrick

Justin R. Alberto (No. 5126)
Stacy L. Newman (No. 5044)
Michael E. Fitzpatrick (No. 6797)
Melissa M. Hartlipp (No. 7063)
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-and-

Raniero D'Aversa (admitted *pro hac vice*)
Mark Franke (admitted *pro hac vice*)
Nicholas Poli (admitted *pro hac vice*)
Brandon Batzel (admitted *pro hac vice*)
Michael Trentin (admitted *pro hac vice*)
Jenna MacDonald Busche (admitted *pro hac vice*)
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*Proposed Counsel to the Official Committee of
Unsecured Creditors*

EXHIBIT A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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

**ORDER PURSUANT TO 11 U.S.C. §§ 328(a) AND 1103(a) AUTHORIZING AND
APPROVING THE EMPLOYMENT AND RETENTION OF ORRICK, HERRINGTON
& SUTCLIFFE LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS EFFECTIVE AS OF OCTOBER 25, 2024**

Upon consideration of the application (the “Application”)² of the Official Committee of Unsecured Creditors (the “Committee”), appointed pursuant to section 1102(a)(1) of chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”) in the chapter 11 cases of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), authorizing and approving the employment and retention of Orrick, Herrington & Sutcliffe LLP (“Orrick”) as counsel to the Committee effective as of October 25, 2024, and upon the D’Aversa Declaration and the Adkins Declaration, as annexed thereto, and it appearing that proper notice of the Application has been given and that no further notice or hearing is required,

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 otherwise defined herein have the meanings given to them in the Application.

and the Court being satisfied based on the representations made in the Application and declarations that (i) Orrick represents no interest adverse to the Debtors' estates, creditors, or equity holders, (ii) Orrick is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, and (iii) the employment of Orrick is necessary and would be in the best interest of the Committee and the Debtors and their estates, and after due deliberation, and sufficient cause appearing therefor, it is hereby

ORDERED that the Application is granted as set forth herein; and it is further

ORDERED that in accordance with sections 328(a) and 1103(a) of the Bankruptcy Code, the Committee be, and hereby is, authorized and empowered to retain Orrick as counsel effective as of October 25, 2024, to represent the Committee in these cases under chapter 11 of the Bankruptcy Code; and it is further

ORDERED that Orrick shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Federal Rules of Bankruptcy Procedure as may be then applicable, from time to time, the Local Bankruptcy Rules, and any case-specific fee protocols approved by the Court after notice and hearing pursuant to any other applicable procedures and orders of the Court; Orrick 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*, both in connection with the Application and the interim and final fee applications to be filed by Orrick in these chapter 11 cases; and it is further

ORDERED that Orrick 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; and it is further

ORDERED that, notwithstanding anything to the contrary in the Application or the D'Aversa Declaration, Orrick will not seek reimbursement of expenses for office supplies or secretarial overtime; and it is further

ORDERED that Orrick will not charge a markup to the Committee with respect to fees billed by contract attorneys who are hired by Orrick to provide services to the Committee and shall ensure that any such contract attorneys are subject to conflict checks and disclosures in accordance with the requirements of the Bankruptcy Code and the Bankruptcy Rules. For the avoidance of doubt, Orrick shall not share fees with existing or future contract attorneys who advise the Committee or enter into fee sharing arrangements with such contract attorneys; and it is further

ORDERED that Orrick will provide ten days' advance written notice of any rate increases to the Committee, the U.S. Trustee and the Debtors before any increases in the rates set forth in the Application or the D'Aversa Declaration are implemented and shall file such notice with the Court; provided, however, that in the event Orrick attorneys responsible for this matter do not have sufficient advance notice of such rate increases, Orrick shall provide notice to the Committee, the U.S. Trustee and the Debtors within three (3) business days after the information regarding rate increases becomes available to the Orrick attorneys responsible for this matter. The Committee, the Debtors, the U.S. Trustee, and all parties-in-interest retain all rights to object to any rate increase on all grounds including, but not limited to, the reasonableness standard provided for 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; and it is further

ORDERED that during the course of these bankruptcy cases, this Court has and shall retain exclusive jurisdiction to hear and determine all matters arising from the implementation of this Order.

EXHIBIT B

Declaration of Raniero D'Aversa

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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

**DECLARATION OF RANIERO D’AVERSA IN SUPPORT OF
APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR AN ORDER AUTHORIZING AND APPROVING THE EMPLOYMENT AND
RETENTION OF ORRICK, HERRINGTON & SUTCLIFFE LLP AS COUNSEL
EFFECTIVE AS OF OCTOBER 25, 2024**

Raniero D’Aversa, being duly sworn, states the following under penalty of perjury:

1. I am an attorney at law admitted to practice in the State of New York, the United States District Court for the Southern District of New York, and the United States District Court for the Eastern District of New York. I am a partner at the firm of Orrick, Herrington & Sutcliffe LLP (“Orrick”), which maintains offices at 51 West 52nd Street, New York, New York, as well as in other cities across the world. I am familiar with the matters set forth herein and I am authorized to make this declaration on behalf of Orrick.

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. Orrick has agreed to be retained and employed to provide legal services and assistance to the Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) and I provide this declaration pursuant to sections 328 and 1103(b) of the Bankruptcy Code, section 1746 of title 28, United States Code, Bankruptcy Rules 2014(a) and 5002, and Local Rule 2014-1 in support of the Application (the “Application”)² of the Committee, seeking approval to employ and Orrick, effective as of October 25, 2024, as counsel to the Committee pursuant to sections 328(a) and 1103(a) of the Bankruptcy Code.

3. Orrick has agreed to render the following services, among others, as directed by the Committee and on other matters assigned directly to Orrick by the Committee:

- Advise the Committee with respect to its rights, powers and duties in these cases;
- Assist, advise and represent the Committee in analyzing the Debtors’ assets and liabilities and participating in and reviewing any proposed asset sales or dispositions;
- Attend meetings and negotiate with the representatives of the Debtors;
- Assist and advise the Committee in its examination and analysis of the conduct of the Debtors’ affairs;
- Assist the Committee in the review, analysis and negotiation of any plan(s) that may be filed and to assist the Committee in the review, analysis and negotiation of the disclosure statement accompanying any plan(s);
- Investigate and determine the value of unencumbered assets;
- Analyze and negotiate the budget and monitor the Debtors’ financial performance in chapter 11;

² Capitalized terms used but not otherwise defined herein have the meanings given to them in the Application.

- Assist and advise the Committee with respect to its communications with the general creditor body regarding significant matters in these cases;
- Review and analyze the work product of the Debtors' interim management services provider and other advisors and report to the Committee;
- Provide the Committee with legal advice in relation to the chapter 11 cases;
- Take all necessary action to protect and preserve the interests of unsecured creditors, including, without limitation, the prosecution of actions on its behalf, negotiations concerning all litigation in which the Debtors are involved, and review and analysis of all claims filed against the Debtors' estates;
- Generally prepare and file on behalf of the Committee all necessary motions, applications, answers, memoranda of law, orders, reports and papers in support of positions taken by the Committee;
- Appear, as appropriate, before this Court, the Appellate Courts, and other Courts in which matters may be heard and to protect the interests of the Committee before said Courts and the U.S. Trustee; and
- Perform such other legal services in these cases as may be required and are deemed to be in the interests of the Committee and unsecured creditors in accordance with the Committee's powers and duties as set forth in the Bankruptcy Code.

4. In performance of such duties, Orrick shall report to the Committee.

5. Orrick's retention by the Committee is necessary because Orrick has recognized expertise and extensive experience and knowledge in the field of business reorganizations and liquidations under the Bankruptcy Code and insolvency and commercial law, and is well qualified to undertake the responsibilities as counsel to the Committee.

6. By separate application, the Committee will request that the Court approve the retention and employment of Cole Schotz as co-counsel. Orrick intends to work closely with the representatives of the Debtors and the other professionals retained by the Committee, including

Cole Schotz, to ensure that there is no unnecessary duplication of services performed or charged to the Debtors' estates.

7. In connection with its proposed employment by the Committee in these chapter 11 cases, Orrick searched its client database for the last three years to determine whether it had, within such period of time, any connections to certain parties, an attorney working under my supervision caused to be performed an examination and comparison of the names included in the following categories of entities, which were provided to Orrick by the Debtors and relied upon by Orrick in performing its conflict search, who may be parties in interest (collectively, the "Potential Parties in Interest")³ in these chapter 11 cases, including, but not limited to:

- (a) the Debtors;
- (b) the Debtors' professionals in the chapter 11 cases;
- (c) the Debtors' largest unsecured creditors;
- (d) the members of the Committee;
- (e) the Debtors' directors and officers;
- (f) the Debtors' alleged secured creditors;
- (g) employees of the Wilmington, Delaware office and the regional office of the U.S. Trustee; and
- (h) certain other creditors and interested parties identified by the Debtors as Potential Parties in Interest.

³Orrick did not perform any independent diligence with respect to the accuracy of the Debtor's list of Potential Parties in Interest.

8. A copy of the list of the parties searched by Orrick is attached hereto as Schedule 1.

9. Based upon information currently available to me, Orrick has no connection with the Debtors, their creditors, or any other party in interest, their attorneys and accountants, the U.S. Trustee or any person employed in the office of the U.S. Trustee, or any judge in the Bankruptcy Court or District Court for the District of Delaware or any person in the offices of the same, except as set forth on Schedule 2 attached hereto.

10. From time to time, Orrick works with certain law firms (including Cole Schotz) and other professional firms that have been retained by or are proposed to be retained by the Committee, the Debtors or other parties in these cases and that may be rendering advice to other parties in interest in these cases.

11. The Debtors have numerous relationships and creditors. Consequently, although every reasonable effort has been made to discover and eliminate the possibility of any connection or conflict, including the efforts outlined above, Orrick is unable to state with certainty whether any more of its clients or such clients' affiliated entities hold claims or otherwise are parties in interest in these chapter 11 cases. If Orrick discovers any information that is contrary to or pertinent to the statements made herein, Orrick will promptly disclose such information to the Court on notice to the creditors and the U.S. Trustee.

12. To the best of my knowledge and information, and except as set forth herein, Orrick does not have any connection with the Debtors or any other significant party-in-interest and does not hold or represent any interest adverse to the estates, and I believe that Orrick is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code.

13. From time-to-time, Orrick has represented other parties-in-interest in matters unrelated to the Debtors or these chapter 11 cases.

14. Orrick will promptly file with the Court a supplemental declaration if and when any further connections between it and such parties-in-interest are discovered.

15. To the best of my knowledge, and except as set forth herein, neither Orrick nor any attorney at the firm: (a) holds or represents an interest adverse to the Debtors' estates; (b) is or was a creditor, an equity security holder or an insider of the Debtors; (c) is or was, within two years before the Petition Date, a director, officer, or employee of the Debtors; and (d) has an interest materially adverse to the interests 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. Orrick avers that none of the connections are disqualifying.

17. Due to the size and diversity of its practice, Orrick may have represented or otherwise dealt with, and may now be representing or otherwise dealing with various persons (and their attorneys and accountants) who are or may consider themselves creditors, equity security holders or parties-in-interest in these cases but who are not presently identified as creditors or equity security holders by the Debtors. However, such representation or involvement, if any, does not relate to the Debtors or their estates.

18. In addition to the foregoing, Orrick's partners and employees may have business associations with, professional, social, or familial relationships with, or interests aligned with or adverse to, creditors or parties in interest, or their attorneys, accountants, or advisors. As part of its practice, Orrick appears in cases, proceedings, and transactions throughout the world involving many different parties, and works together with many different parties, which may include

creditors or parties in interest, or attorneys, accountants, or other professional firms or advisors who may represent creditors or parties in interest in these cases. To the best of my knowledge, none of these associations, relationships, or interests have any connection with the Debtors, the Committee, or these cases.

19. In 2012, Orrick—through a separate team of attorneys—advised Debtor Channel Control Merchants, LLC (“CCM”) in connection with an employment law-related matter. The representation was closed in 2013. Out of an abundance of caution, Orrick has established an ethical wall between the attorneys that represented CCM in connection with the above-described matter and the attorneys representing the Committee in these chapter 11 cases. For the avoidance of doubt, Orrick will not represent any entity, other than the Committee, in connection with these chapter 11 cases. Based on the foregoing, I do not believe that the former representation referenced in this paragraph precludes Orrick from meeting the standard for retention of Committee counsel under the Bankruptcy Code.

20. Because of Orrick’s relationship with numerous financial institutions, as a general rule, Orrick typically does not represent clients in connection with adversary proceedings to which such financial institutions are a party for damages or other affirmative remedies. As such, to the extent any such adversary proceedings are commenced in these case, Orrick anticipates that such matters may be handled on behalf of the Committee by conflicts counsel.

21. In addition, to the best of my knowledge, information, and belief and in accordance with Bankruptcy Rule 5002, neither I, nor any attorney at Orrick is a relative of any of the United States Bankruptcy Judges for the District of Delaware that may be assigned to these cases or the

U.S. Trustee, and Orrick does not have a connection with any United States Bankruptcy Judge for the District of Delaware or the U.S. Trustee that would render its retention in these cases improper.

22. Orrick does not represent and will not represent any entity, other than the Committee, in matters related to these cases.

23. Orrick will periodically review its files during the pendency of these cases to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new relevant facts or relationships are discovered or arise, Orrick will use reasonable efforts to identify such further developments and will file a supplemental declaration, as required by Bankruptcy Rule 2014(a).

24. No agreement exists, nor will any be made, to share any compensation received by Orrick for its services with any other person or firm other than to share this compensation among its partners, associates, and employees.

25. Orrick will provide a 20% discount off of its hourly rates for all attorneys and paraprofessionals involved in this representation. The principal attorneys and paraprofessionals that Orrick anticipates will render services to the Committee and their hourly rates—reflecting the aforementioned discounts—are as follows:

Raniero D'Aversa (Partner)	\$1,680
Nicholas Poli (Partner)	\$1,084
Mark Franke (Of Counsel)	\$1,068
Brandon Batzel (Senior Associate)	\$1,024
Ari Roytenberg (Senior Associate)	\$1,024
Michael Trentin (Managing Associate):	\$960
Jenna MacDonald Busche (Managing Associate):	\$844
Daniel Carnie (Associate)	\$620
Paraprofessionals	\$260-\$544

26. These hourly rates are subject to periodic increase in the normal course of Orrick's business. From time to time, other attorneys at Orrick may provide services to the Committee.

Orrick's rates are set at a level designed to fairly compensate Orrick for the work of its attorneys and paraprofessionals and to cover fixed and routine overhead expenses. It is Orrick's policy to charge its clients in all areas of practice for all other out-of-pocket expenses and disbursements incurred in connection with the client's cases. The customary expenses charged include, among other things, telephone and telecopier toll charges, photocopying charges, filing costs, postage, witness fees, travel expenses, expenses for "working meals," computerized research, as well as non-ordinary expenses.

27. Orrick is willing to be employed by the Committee as its counsel under the terms as set forth in the Application and will make appropriate application to this Court for compensation and reimbursement of out-of-pocket expenses, all in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any orders of the Court entered in these chapter 11 cases. Orrick 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 "Appendix B Guidelines"), both in connection with the Application and the interim and final fee applications to be filed by Orrick in these chapter 11 cases.

28. The following is provided in response to the request for additional information set forth in Paragraph D.1. of the Appendix B Guidelines:

(a) Orrick has agreed to variations from, or alternatives to, its customary billing arrangements for this engagement. Orrick will provide a 20% discount off of its hourly rates for all attorneys and paraprofessionals involved in this representation.

(b) No professional included in this engagement varies their rate based on the geographic location of the bankruptcy cases.

(c) Orrick has not represented the Committee in the 12 months prepetition and, consequently, there are no billing rates and material financial terms for the prepetition engagement, including any adjustments during the 12 months prepetition to disclose, and Orrick's billing rates and material financial terms have not changed postpetition.

(d) The Committee and its counsel are currently in the process of formulating a detailed budget that is consistent with the form of budget attached as Exhibit C-1 to the Appendix B Guidelines, recognizing that in the course of large cases like these chapter 11 cases, it is highly likely that there may be a number of unforeseen fees and expenses that will need to be addressed by the Committee and its counsel.

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

Dated: November 15, 2024

/s/ *Raniero D'Aversa*

Raniero D'Aversa, Partner
Orrick, Herrington & Sutcliffe LLP

SCHEDULE 1

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
Sothern 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 Acquico)
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
Eulless 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 Jjg 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**Disclosures¹**

<u>Party(ies) in Interest</u>	<u>Connection to Debtors</u>	<u>Connection to Orrick</u>
AFCO	Top 30 Unsecured Creditors	Affiliate of closed client; affiliate of current client.
Bank of Montreal; BMO Bank N.A.	Banks; Lenders and Other Lienholders	Current clients.
Brazoria County, Texas	Governmental Agencies/Taxing Authorities	Affiliate of current client; closed client.
Cadence Bank	Banks	Current client.
Citizens Bank, N.A.	Banks	Current client.
Compass Bank	Lenders and Other Lienholders; Landlords	Closed client.
CSS Inc.	Top 30 Unsecured Creditors	Affiliate of current client.
Dick's Sporting Goods, Inc.	Top 30 Unsecured Creditors	Current client.
Dormify	Material Vendors and Contract Counterparties	Closed client.
Entergy Arkansas	Utility Companies	Current client.
Entergy Louisiana	Utility Companies	Current client.
Ernst & Young US LLP	Top 30 Unsecured Creditors	Current client.
First Horizon Bank	Banks	Affiliate of current client.
FPL Northwest FL	Utility Companies	Affiliate of current client; affiliate of closed client.
Hancock Whitney Bank	Banks; Lenders and Other Lienholders	Closed client.

¹ The parties listed herein are parties in interest (or affiliated entities) who are current clients of Orrick or were clients of Orrick within the last three (3) years. The disclosure of affiliate relationships among potentially related entities reflects only information known to Orrick through its conflict reporting system. Orrick has not performed independent research to identify other affiliate relationships with respect to the parties on the interested parties list.

<u>Party(ies) in Interest</u>	<u>Connection to Debtors</u>	<u>Connection to Orrick</u>
Harris County, Texas	Governmental Agencies/Taxing Authorities	Current client; affiliate of current client.
Home Depot	Top 30 Unsecured Creditors	Current client.
Inmar Supply Chain Solutions, LLC	Top 30 Unsecured Creditors	Affiliate of closed client.
KKR North America Fund XI (Wave) L.P.	Lenders and Other Lienholders	Affiliate of current and closed client.
Lowes	Material Vendors and Contract Counterparties; Top 30 Unsecured Creditors	Closed client.
Macy's	Material Vendors and Contract Counterparties; Top 30 Unsecured Creditors	Current client.
Mississippi Power	Utility Companies	Affiliate of closed client.
PNC Bank	Banks; Lenders and Other Lienholders	Current client.
Regions Bank	Banks	Current client.
Salesforce, Inc.	Top 30 Unsecured Creditors	Current client.
Schneider National Carriers	Top 30 Unsecured Creditors	Affiliate of current client.
Target Corporation	Top 30 Unsecured Creditors	Closed client.
The State of Texas	Litigation Parties	Affiliate of open client.
ThredUp, Inc.	Material Vendors and Contract Counterparties	Affiliate of close client.
Tokio Marine HCC	Insurance Providers & Brokers	Current client.
Travelers Insurance	Insurance Providers & Brokers	Current client.
Trustmark National Bank	Banks; Litigation Parties	Closed client.

<u>Party(ies) in Interest</u>	<u>Connection to Debtors</u>	<u>Connection to Orrick</u>
Walmart	Material Vendors and Contract Counterparties	Current client.

EXHIBIT C

Declaration of Theresa Adkins

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

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

**DECLARATION OF THERESA ADKINS IN SUPPORT OF
APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR AN ORDER AUTHORIZING AND APPROVING THE EMPLOYMENT AND
RETENTION OF ORRICK, HERRINGTON & SUTCLIFFE LLP AS COUNSEL
EFFECTIVE AS OF OCTOBER 25, 2024**

I, Theresa Adkins, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am over the age of 21 and I am a representative of Academy, Ltd. d/b/a Academy + Outdoors (“Academy”). I am competent in all respects to make this Declaration and serve as Chairperson of the Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”).

2. I submit this declaration in support of the *Application of the Official Committee of Unsecured Creditors for Entry of an Order Authorizing and Approving the Employment and*

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.

Retention of Orrick, Herrington & Sutcliffe LLP as Counsel Effective as of October 25, 2024 (the “Application”),² filed contemporaneously herewith by the Committee to retain Orrick as its counsel. Unless otherwise stated in this declaration, I have personal knowledge of the facts set forth herein and, if called as a witness, would testify competently thereto.

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 “Appendix B Guidelines”). I am informed by Orrick that Paragraph D.2 of the Appendix B Guidelines requires that any application for employment of an attorney under sections 327 or 1103 of the Bankruptcy Code be accompanied by a verified statement from the proposed 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 Debtors 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 procedures for the budgeting, review and approval of fees and expenses differ from those the client regularly employs in non-bankruptcy cases to supervise outside 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.

² Capitalized terms used but not otherwise defined herein have the meanings given to them in the Application.

4. On October 23, 2024, the U.S. Trustee appointed the Committee to represent the interests of general unsecured creditors of the Debtors. The Committee currently consists of five members. As a representative of a member and Chairperson of the Committee, I was directly involved with the Committee's selection process for counsel in these chapter 11 cases.

5. On October 25, 2024, the Committee participated in a series of interviews during which several law firms presented their qualifications as potential counsel to the Committee with additional firms seeking co-counsel roles. Ultimately, on October 25, 2024, the Committee selected Orrick as its counsel because of the firm's extensive experience and knowledge of the chapter 11 bankruptcy process, along with Cole Schotz as Delaware co-counsel. At the request of the Committee, Orrick commenced providing legal services immediately.

BILLING RATE STRUCTURE

6. Orrick has informed the Committee that its rates for bankruptcy representations are the same as its rates for similar non-bankruptcy representations. The hourly rates charged by Orrick attorneys vary with the experience and seniority of the individuals assigned and not as a function of whether the services performed relate to a bankruptcy engagement or a non-bankruptcy engagement. Orrick also has informed the Committee that it endeavors to set hourly rates for its attorneys and paraprofessionals at levels competitive to those charged by comparably skilled professionals in other law firms.

7. The members of the Committee reviewed Orrick's discounted hourly rates for this matter as set forth in the Application. Based upon Orrick's representations to the Committee, I understand that those rates are generally comparable to, or less than, Orrick's hourly rates for bankruptcy and non-bankruptcy engagements and the billing rates and terms of other comparably-

skilled firms for providing similar services. Based upon these representations, the Committee believes that these rates are reasonable.

COST SUPERVISION

8. Throughout these chapter 11 cases, the Committee will supervise Orrick's fees and expenses to manage costs. In particular, the Committee will review Orrick's invoices and monthly applications for payment of fees and reimbursement of expenses. The Committee understands that the hourly rates of Orrick's attorneys and paraprofessionals are subject to annual increases, in the normal course of the firm's business.

9. In terms of a staffing plan, I understand that the following persons will be the primary professionals provided by Orrick to represent the Committee in these chapter 11 cases: Raniero D'Aversa, Nicholas Poli, Mark Franke, Brandon Batzel, Ari Roytenberg, Michael Trentin, Jenna MacDonald Busche, Daniel Carnie and paraprofessionals who support Orrick's Bankruptcy practice. The Committee and its counsel are currently in the process of formulating a detailed budget that is consistent with the form of budget attached as Exhibit C-1 to the Appendix B Guidelines, recognizing that in the course of large cases like these chapter 11 cases, it is highly likely that there may be a number of unforeseen fees and expenses that will need to be addressed by the Committee and its counsel. The Committee will continue to review the invoices that Orrick regularly submits and, together with Orrick, amend the budget and staffing plans periodically, as necessary throughout the course of these chapter 11 cases.

10. Based on the foregoing, the Committee is of the opinion that it is necessary to employ Orrick and that such employment is in the best interest of the Debtors' estates.

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

Executed this 15th day of November, 2024.

**OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF HDC HOLDINGS II, LLC,
*ET AL.***

/s/ Theresa Adkins

Theresa Adkins, solely in her capacity as
Chairperson of the Committee and not in any
individual capacity