



ENTERED  
05/12/2020

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

---

In re:	)	Chapter 11
	)	
STAGE STORES, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 20-32564 (DRJ)
	)	
Debtors.	)	(Joint Administration Requested)
	)	
	)	<b>Re: Docket No. <u>23</u></b>

---

**ORDER (I) AUTHORIZING THE DEBTORS TO  
(A) PAY PREPETITION WAGES, SALARIES, OTHER  
COMPENSATION, AND REIMBURSABLE EXPENSES AND (B) CONTINUE  
EMPLOYEE BENEFITS PROGRAMS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the "Motion")<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), authorizing the Debtors to (a) authorizing the Debtors to (i) pay prepetition wages, salaries, other compensation, and reimbursable expenses and (ii) continue employee benefits programs in the ordinary course, including payment of certain prepetition obligations related thereto, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; 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 it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Stage Stores, Inc. (6900) and Specialty Retailers, Inc. (1900). The Debtors' service address is: 2425 West Loop South, Houston, Texas 77027.

<sup>2</sup> Capitalized terms used and not defined herein have the meanings ascribed to them in the Motion.

interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted.

2. The Debtors are authorized to continue to provide, and to pay any claims or obligations on account of the Compensation and Benefits in the ordinary course and in accordance with the Debtors' prepetition policies and prepetition practices and the terms of this Order, *provided* that this authorization shall be limited to the extent that the Debtors have specifically stated in the Motion that they are only seeking such authorization subject to availability in their Budget, including Unpaid Bonuses, Unpaid Retention Incentives, PLCC Incentives, Unpaid Severance, and obligations to Independent Contractors and Staffing Agencies. The Debtors shall not honor any prepetition claims or obligations on account of Compensation and Benefits to any individual that exceed the priority amounts set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code.

3. For the avoidance of doubt, the Debtors are authorized to continue the Retirement Savings Plans (including the 401(k) Plan and the NQDC Plans) in the ordinary course of business on a postpetition basis, to remit all Retirement Savings Plan Amounts collected in the ordinary course of business and to access the funds in the rabbi trust for purposes of honoring their

obligations under the NQDC Plans in the ordinary course of business, with Fidelity Investments hereby ordered to release the funds in the rabbi trust for such purpose.

4. The Debtors are authorized to continue to provide, and to pay any claims or obligations on account of the Director Compensation in the ordinary course and in accordance with the Debtors' prepetition policies and prepetition practices and the terms of this Order.

5. The Debtors shall not make any bonus, incentive, retention, or severance payments to any Insiders (as such term is defined in section 101(31) of the Bankruptcy Code) without further order of this Court.

6. The automatic stay of section 362(a) of the Bankruptcy Code, to the extent applicable, is hereby lifted to permit: (a) Employees to proceed with their claims under the Workers' Compensation Program in the appropriate judicial or administrative forum; (b) the Debtors to continue the Workers' Compensation Program and pay all prepetition amounts relating thereto in the ordinary course; (c) insurers and third party administrators to handle, administer, defend, settle, and/or pay Workers' Compensation Claims and direct action claims; and (d) insurers and third party administrators providing coverage for any Workers' Compensation Claims or direct action claims to draw on any and all collateral provided by or on behalf of the Debtors therefor without further order of the Bankruptcy Court if and when the Debtors fail to pay and/or reimburse any insurers and third party administrators for any amounts in relation thereto. This modification of the automatic stay pertains solely to claims under the Workers' Compensation Program and any such claims must be pursued in accordance with the applicable Workers' Compensation Program.

7. The Debtors are authorized to forward any unpaid amounts on account of Withholding Obligations to the appropriate third-party recipients or taxing authorities in accordance with the Debtors' prepetition policies and practices.

8. The Debtors are authorized to pay costs and expenses incidental to payment of the Compensation and Benefits obligations, including all administrative and processing costs and payments to outside professionals.

9. The Debtors shall not make any payments on account of any Unpaid Severance arising after the Petition Date in violation of section 503(c) of the Bankruptcy Code.

10. Nothing contained herein is intended or should be construed to create an administrative priority claim on account of the Compensation and Benefits obligations. Before making any payments on account of any Unpaid Severance in excess of (y) \$100,000 in the aggregate in any calendar month or (z) \$50,000 to any individual, the Debtors shall provide five (5) days' advance notice to the U.S. Trustee and any statutory committee of (a) the title of the Claimant, (b) the amount of the payment to such Claimant, and (c) the proposed payment date. The Debtors shall maintain a matrix, schedule, or other summary of amounts paid related to Unpaid Severance subject to the terms and conditions of this Order, including the following information: (a) the name of the Claimant paid; (b) the amount of the payment to such Claimant; (c) the total amount paid to the Claimant to date; (d) the category of Claimant, as further described and classified in the Motion; (e) the payment date; and (f) the purpose of such payment. The Debtors shall provide a copy of such matrix, schedule, or other summary to the U.S. Trustee, and any statutory committee appointed in these chapter 11 cases every 30 days beginning upon entry of this Order.

11. The banks and financial institutions on which checks were drawn or electronic fund transfer requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic fund transfer requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic fund transfer requests as approved by this Order.

12. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

13. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Compensation and Benefits obligations.

14. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

15. Notice of the Motion satisfies the requirements of Bankruptcy Rule 6004(a).

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

17. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

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

**Signed: May 12, 2020.**

  
\_\_\_\_\_  
DAVID R. JONES  
UNITED STATES BANKRUPTCY JUDGE

United States Bankruptcy Court  
Southern District of TexasIn re:  
Stage Stores, Inc.  
ARCP MT Lafayette In, LLC  
DebtorsCase No. 20-32564-drj  
Chapter 11**CERTIFICATE OF NOTICE**

District/off: 0541-4

User: emiller  
Form ID: pdf002Page 1 of 3  
Total Noticed: 39

Date Rcvd: May 13, 2020

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on May 15, 2020.

aty +Deena L Buchanan, Buchanan Law Firm, LLC, 5345 Wyoming Blvd NE, Suite 202,  
Albuquerque, NM 87109-3148

aty +Gregory S Frayser, Cline Williams wright et al, 233 S 13 St., Suite 1900,  
Lincoln, NE 68508-2000

aty +Robert S. Friedman, Sheppard Mullin Richter and Hampton, 30 Rockefeller Plaza,  
New York, NY 10112-0079

cr +Andrews Independent School District, et al, C/O Laura J. Monroe,  
Perdue, Brandon, Fielder, Collins & Mott, PO Box 817, Lubbock, TX 79408-0817

cr +Atascosa County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Bexar County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Brewster County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Brookfield Property REIT, Inc., Kristen N. Pate, 350 N. Orleans St., Suite 300,  
Chicago, IL 60654-1607

cr +CITY OF EAGLE PASS, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Carbondale Real Estate LLC, c/o Barclay Damon LLP, Attn: Kevin M. Newman,  
Barclay Damon Tower, 125 East Jefferson Street, Syracuse, NY 13202-2515

cr +City of El Paso, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +City of Del Rio, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +City of Mercedes, Mercedes ISD, Cityof Weslaco & W, c/o John T. Banks,  
3301Northland Drive Ste 505, Austin, TX 78731-4954

cr +City of Sulphur Springs, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,  
2777 N. Stemmons Freeway, Suite 1000, Dallas, TX 75207-2328

cr +Dallas County, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,  
2777 N. Stemmons Freeway, Suite 1000, Dallas, TX 75207-2328

cr +Ector CAD, 112 E Pecan Street, Suite 2200, San Antonio, TX 78205-1588

cr +Gonzales County, 112 E. Pecan Street, Suite 2200, San Antonio, TX 78205-1588

cr +Grayson County, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,  
2777 N. Stemmons Freeway, Suite 1000, Dallas, TX 75207-2328

cr +Hood CAD, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,  
2777 N. Stemmons Freeway, Suite 1000, Dallas, TX 75207-2328

cr +Humble Independent School District, et al, c/o Owen M. Sonik, PBFCM, LLP,  
1235 N. Loop W., Ste 600, Houston, TX 77008-1772

intp +James Scott Douglass, 1811 Bering Dr., Suite 420, Houston, TX 77057-3186

intp +Kurtzman Carson Consultants LLC, 222 N Pacific Coast Highway, Suite 300,  
El Segundo, CA 90245-5614

cr +Merge Holdings, LLC, c/o Matthew T. Taplett, Esq., 500 W.7th St. #600,  
Fort Worth, TX 76102-4751

cr +Nike USA, Inc., c/o Anthony Saccullo, A.M. Saccullo Legal, LLC, 27 Crimson King Drive,  
Bear, DE 19701-2392

cr +Pecos County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Reeves County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Rivercrest Realty Associates, LLC, c/o Barclay Damon LLP, Attn: Kevin M. Newman,  
Barclay Damon Tower, 125 East Jefferson Street, Syracuse, NY 13202-2515

cr +Rusk County, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,  
2777 N. Stemmons Freeway, Suite 1000, Dallas, TX 75207-2328

cr +Simon Property Group, Inc., Attn: Ronald M. Tucker, Esq., 225 West Washington Street,  
Indianapolis, IN 46204-3438

cr +Smith County, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,  
2777 N Stemmons Frwy Ste 1000, Dallas, TX 75207-2328

intp State of Texas, c/o Texas Attorney General's Office, Bankruptcy & Collections Division,  
P. O. Box 12548 MC-008, Austin, TX 78711-2548

cr +Sulphur Springs ISD, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller,  
2777 N Stemmons Frwy Ste 1000, Dallas, TX 75207-2328

cr +Tarrant County, Linebarger, Goggan, Blair & Sampson, LLP, c/o Elizabeth Weller,  
2777 N. Stemmons Frwy Ste 1000, Dallas, TX 75207, UNITED STATES 75207-2328

cr Texas Comptroller of Public Accounts, E. Stuart Phillips, P.O. Box 12548,  
Austin, TX 78711-2548

cr +Val Verde County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Ward County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

cr +Wilson County, 112 E. Pecan St., Suite 2200, San Antonio, TX 78205-1588

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

db +E-mail/Text: BNC-ALLIANCE@QUANTUM3GROUP.COM May 13 2020 22:12:08 Stage Stores, Inc.,  
2425 West Loop South, Houston, TX 77027-4300

intp +E-mail/Text: jeremiah.buettner@mcafeetaft.com May 13 2020 22:13:01  
McAfee & Taft A Professional Corporation, Two Leadership Square, Tenth Floor,  
211 N. Robinson, Oklahoma City, OK 73102, UNITED STATES 73102-7109

TOTAL: 2

District/off: 0541-4

User: emiller  
Form ID: pdf002Page 2 of 3  
Total Noticed: 39

Date Rcvd: May 13, 2020

\*\*\*\*\* BYPASSED RECIPIENTS (continued) \*\*\*\*\*

\*\*\*\*\* BYPASSED RECIPIENTS (undeliverable, \* duplicate) \*\*\*\*\*

crcmch ARCP MT Lafayette In, LLC  
 cr ARCP MT Springfield IL, LLC  
 cr Action Properties, LLC  
 cr Ash Investors LLC  
 cr BRE RC Southpark II TX LP  
 cr Cole MT Rapid City  
 cr Comenity Bank  
 cr Comenity Capital Bank  
 intp GCCLE-Shadow Creek, LP  
 consult Gordon Brothers Retail Partners, LLC  
 cr Jack Schwartz Shoes Inc  
 cr Ralph Lauren Corporation  
 cr S4LLC  
 cr SD (I)LLC  
 cr San Juan Associates, LP  
 cr Spring Park Property Owners, LLC  
 cr Wells Fargo Bank, National Association, as Adminis  
 cr Wells Fargo Bank, National Association, as Term Lo

TOTALS: 18, \* 0, ## 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.  
 USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

**I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.**

**Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.**

Date: May 15, 2020

Signature: /s/Joseph Speetjens

## CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on May 12, 2020 at the address(es) listed below:

Alicia Lenae McCullar on behalf of U.S. Trustee US Trustee alicia.mccullar@usdoj.gov  
 Charles R Gibbs on behalf of Consultant Gordon Brothers Retail Partners, LLC  
 charles.gibbs@kattenlaw.com,  
 casey.stuckey@kattenlaw.com/ecf.lax.docket@kattenlaw.com;nicole.nowacki@kattenlaw.com;nyc.bknotices@katten.com  
 Chris Paul Di Ferrante on behalf of Interested Party GCCLE-Shadow Creek, LP chris@cdfllaw.com  
 Christopher Thompson on behalf of Creditor Comenity Capital Bank crthompson@burr.com  
 Christopher Thompson on behalf of Creditor Comenity Bank crthompson@burr.com  
 Don Stecker on behalf of Creditor Bexar County sanantonio.bankruptcy@lgbs.com  
 Don Stecker on behalf of Creditor Atascosa County sanantonio.bankruptcy@lgbs.com  
 Don Stecker on behalf of Creditor City Of El Paso sanantonio.bankruptcy@lgbs.com  
 Don Stecker on behalf of Creditor Val Verde County sanantonio.bankruptcy@lgbs.com  
 Don Stecker on behalf of Creditor Gonzales County sanantonio.bankruptcy@lgbs.com  
 Don Stecker on behalf of Creditor Pecos County sanantonio.bankruptcy@lgbs.com  
 Don Stecker on behalf of Creditor CITY OF EAGLE PASS sanantonio.bankruptcy@lgbs.com  
 Don Stecker on behalf of Creditor Wilson County sanantonio.bankruptcy@lgbs.com  
 Don Stecker on behalf of Creditor Ector CAD sanantonio.bankruptcy@lgbs.com  
 Don Stecker on behalf of Creditor Ward County sanantonio.bankruptcy@lgbs.com  
 Don Stecker on behalf of Creditor Brewster County sanantonio.bankruptcy@lgbs.com  
 Don Stecker on behalf of Creditor City of Del Rio sanantonio.bankruptcy@lgbs.com  
 Don Stecker on behalf of Creditor Reeves County sanantonio.bankruptcy@lgbs.com  
 E Stuart Phillips on behalf of Creditor Texas Comptroller of Public Accounts  
 bk-sphillips@oag.texas.gov, sherri.simpson@oag.texas.gov  
 Evan Gershbein on behalf of Interested Party Kurtzman Carson Consultants LLC  
 ECFpleadings@kccllc.com, ecfpleadings@kccllc.com  
 Hector Duran, Jr on behalf of U.S. Trustee US Trustee Hector.Duran.Jr@usdoj.gov  
 James Scott Douglass on behalf of Interested Party James Scott Douglass jsd@aol.com  
 Jason Bradley Binford on behalf of Interested Party State of Texas Jason.binford@oag.texas.gov  
 Jayson B. Ruff on behalf of U.S. Trustee US Trustee jayson.b.ruff@usdoj.gov  
 John T Banks on behalf of Creditor City of Mercedes, Mercedes ISD, Cityof Weslaco & Weslaco  
 ISD jbanks@pbfc.com, jbanks@ecf.inforuptcy.com  
 Joseph E Bain on behalf of Creditor Action Properties, LLC JBain@joneswalker.com,  
 kvrana@joneswalker.com



District/off: 0541-4

User: emiller  
Form ID: pdf002Page 3 of 3  
Total Noticed: 39

Date Rcvd: May 13, 2020

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system (continued)

Joseph E Sarachek on behalf of Creditor Jack Schwartz Shoes Inc jsarachek@crtllc.com,  
bschwab@crtllc.com;grosenblum@crtllc.com  
Joseph E Sarachek on behalf of Creditor S4LLC jsarachek@crtllc.com,  
bschwab@crtllc.com;grosenblum@crtllc.com  
Justin Bernbrock on behalf of Creditor Ralph Lauren Corporation jbernbrock@sheppardmullin.com  
Karen C Bifferato on behalf of Creditor BRE RC Southpark II TX LP  
kbifferato@connollygallagher.com  
Kevin M. Newman on behalf of Creditor Rivercrest Realty Associates, LLC  
knewman@barclaydamon.com, kmnbk@barclaydamon.com  
Kevin M. Newman on behalf of Creditor Carbondale Real Estate LLC knewman@barclaydamon.com,  
kmnbk@barclaydamon.com  
Kristen N Pate on behalf of Creditor Brookfield Property REIT, Inc. ggpbk@ggp.com  
Laura J Monroe on behalf of Creditor Andrews Independent School District, et al  
lmbkr@pbfc.com, kroberson@ecf.inforuptcy.com  
Louis J. Price on behalf of Interested Party McAfee & Taft A Professional Corporation  
louis.price@mcafeetaft.com, stewart.snider@mcafeetaft.com;annette.strother@mcafeetaft.com  
Mark Mintz on behalf of Creditor Action Properties, LLC mmintz@joneswalker.com,  
hstewart@joneswalker.com  
Matthew D Cavanaugh on behalf of Debtor Specialty Retailers, Inc. mcavanaugh@jw.com,  
kgradney@jw.com;dtrevino@jw.com  
Matthew D Cavanaugh on behalf of Debtor Stage Stores, Inc. mcavanaugh@jw.com,  
kgradney@jw.com;dtrevino@jw.com  
Matthew Thomas Taplett on behalf of Creditor Merge Holdings, LLC mtaplett@popehardwicke.com  
Melissa Anne Haselden on behalf of Creditor Spring Park Property Owners, LLC  
Haselden@hooverslovacek.com, haseldenbankruptcy@gmail.com,bankruptcyl@hooverslovacek.com,  
doucet@hooverslovacek.com,doucet@ecf.courtdrive.com,haselden@ecf.courtdrive.com  
Owen Mark Sonik on behalf of Creditor Humble Independent School District, et al  
osonik@pbfc.com, tpope@pbfc.com;osonik@ecf.inforuptcy.com;mvaldez@pbfc.com  
Ronald M Tucker on behalf of Creditor Simon Property Group, Inc. rtucker@simon.com,  
antimm@simon.com;cmartin@simon.com;bankruptcy@simon.com  
Ross A Plourde on behalf of Interested Party McAfee & Taft A Professional Corporation  
ross.plourde@mcafeetaft.com, annette.strother@mcafeetaft.com  
Ryan D. Krumrie on behalf of Creditor Ash Investors LLC rkrumrie@hdz-law.com,  
alaux@hdz-law.com  
Sean B Davis on behalf of Creditor Wells Fargo Bank, National Association, as Term Loan Agent  
sbdavis@winstead.com, mmingo@winstead.com  
Sean B Davis on behalf of Creditor Wells Fargo Bank, National Association, as Administrative  
Agent and Collateral Agent sbdavis@winstead.com, mmingo@winstead.com  
Stephen Douglas Statham on behalf of U.S. Trustee US Trustee stephen.statham@usdoj.gov  
US Trustee USTPRegion07.HU.ECF@USDOJ.GOV

TOTAL: 48