

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

SPORTS AUTHORITY HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 16-10527 (MFW)

(Jointly Administered)

Ref. Docket No. 129

NOTICE OF INTERIM ORDER (A) ESTABLISHING NOTICE AND OBJECTION PROCEDURES FOR TRANSFERS OF EQUITY SECURITIES AND CLAIMS OF WORTHLESS STOCK DEDUCTIONS; (B) ESTABLISHING A RECORD DATE FOR NOTICE AND SELL-DOWN PROCEDURES FOR TRADING IN CLAIMS AGAINST THE DEBTORS' ESTATES; AND (C) SCHEDULING A FINAL HEARING

TO: (A) THE U.S. TRUSTEE, (B) RIEMER & BRAUNSTEIN LLP AS COUNSEL FOR BANK OF AMERICA, N.A., IN ITS CAPACITY AS ADMINISTRATIVE AGENT AND COLLATERAL AGENT UNDER THE SECOND AMENDED AND RESTATED CREDIT AGREEMENT, DATED AS OF MAY 17, 2012; (C) BROWN RUDNICK LLP AS COUNSEL FOR (I) WILMINGTON SAVINGS FUND SOCIETY, FSB AS ADMINISTRATIVE AGENT AND COLLATERAL AGENT UNDER THE AMENDED AND RESTATED CREDIT AGREEMENT, DATED AS OF MAY 3, 2006 AND AMENDED AND RESTATED AS OF NOVEMBER 16, 2010 AND (II) CERTAIN TERM LENDERS UNDER THE AMENDED AND RESTATED CREDIT AGREEMENT, DATED AS OF MAY 3, 2006 AND AMENDED AND RESTATED AS OF NOVEMBER 16, 2010; (D) CHOATE, HALL & STEWART LLP AS COUNSEL FOR WELLS FARGO BANK, NATIONAL ASSOCIATION, IN ITS CAPACITY AS FILO AGENT UNDER THE SECOND AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT, DATED AS OF NOVEMBER 3, 2015; (E) O'MELVENY & MEYERS LLP AS COUNSEL FOR CERTAIN HOLDERS OF 11.5% SENIOR SUBORDINATED NOTES DUE FEBRUARY 19, 2018 UNDER THE SECURITIES PURCHASE AGREEMENT, DATED AS OF MAY 3, 2006; (F) ALL HOLDERS OF 11.5% SENIOR SUBORDINATED NOTES DUE FEBRUARY 19, 2018 UNDER THE SECURITIES PURCHASE AGREEMENT, DATED AS OF MAY 3, 2006; (G) THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION; (H) THE INTERNAL REVENUE SERVICE; (I) THE DEBTORS' 50 LARGEST UNSECURED CREDITORS ON A CONSOLIDATED BASIS, AS IDENTIFIED IN THEIR CHAPTER 11 PETITIONS; (J) ANY REGISTERED HOLDERS OF THE OUTSTANDING EQUITY SECURITIES;

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Sports Authority Holdings, Inc. (9008); Slap Shot Holdings, Corp. (8209); The Sports Authority, Inc. (2802); TSA Stores, Inc. (1120); TSA Gift Card, Inc. (1918); TSA Ponce, Inc. (4817); and TSA Caribe, Inc. (5664). The headquarters for the above-captioned Debtors is located at 1050 West Hampden Avenue, Englewood, Colorado 80110.



AND (K) ALL PARTIES ENTITLED TO NOTICE IN THESE CASES PURSUANT TO BANKRUPTCY RULE 2002

PLEASE TAKE NOTICE that, on March 2, 2016 (the “Petition Date”), Sports Authority Holdings, Inc. (“Sports Authority”) and its affiliated debtors and debtors in possession (each, a “Debtor,” and collectively, the “Debtors”) filed voluntary petitions with the United States Bankruptcy Court for the District of Delaware (the “Court”) under chapter 11 of the Bankruptcy Code. Subject to certain exceptions, section 362 of the Bankruptcy Code operates as a stay of any act to obtain possession of, or exercise control over, property of the Debtors’ estates.

PLEASE TAKE FURTHER NOTICE that, on the Petition Date, the Debtors filed the *Debtors’ Motion for Entry of Interim and Final Orders (A) Establishing Notice and Objection Procedures for Transfers of Equity Securities and Claims of Worthless Stock Deductions; and (B) Establishing a Record Date for Notice and Sell-Down Procedures for Trading in Claims Against the Debtors’ Estates* [Docket No. 5] (the “Motion”). On March 3, 2016, the Court entered an order [Docket No. 129] (the “Interim Order”) approving the Motion on an interim basis and approving the procedures set forth below.²

PLEASE TAKE FURTHER NOTICE that pursuant to the Interim Order, the following notice and objection procedures for holding and transferring Equity Securities (“Equity Transfer Procedures”) shall apply in the Debtors’ chapter 11 cases:

- i. Certain Defined Terms. For purposes of the Interim Order: (A) a “Substantial Equityholder” is any person or entity that beneficially owns at least 1,920,000 shares (representing approximately 4.5% of the 42.7 million issued and outstanding shares) of Sports Authority; (B) “beneficial ownership” of Equity Securities shall be determined in accordance with applicable rules under section 382 of the IRC and the regulations promulgated thereunder and shall include (i) direct and indirect ownership, (ii) ownership by attribution from shareholders, subsidiaries, partnerships, trusts, and other related entities and persons, (iii) ownership by such holder’s family members, (iv) aggregate ownership of persons acting in concert with such holder to make a coordinated acquisition of stock, and (v) ownership of options to acquire stock, which include any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock or similar interest, regardless of whether it is contingent or otherwise not currently exercisable; and (C) a “Transfer” means any transfer, within the meaning of Section 382 of the IRC and the regulations promulgated thereunder, of Equity Securities to the extent described in paragraph 4(iii) below (Stock Acquisition Notice) and/or paragraph 4(iv) below (Stock Disposition Notice).

² The summary of the Interim Order herein is qualified in its entirety by the actual terms of the Interim Order. If there are any inconsistencies between the summary contained herein and the actual terms of the Interim Order, the actual terms of the Interim Order shall control.

- ii. Notice of Substantial Equityholder Status. Any person or entity who currently is or becomes a Substantial Equityholder shall (A) file with the Court and (B) serve upon proposed counsel to the Debtors, Gibson, Dunn & Crutcher, LLP, 333 South Grand Avenue, Los Angeles, CA 90071-1512 (Attn: Robert A. Klyman), and Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Rodney Square, Wilmington, DE 19801 (Attn: Michael R. Nestor), a notice of such status, in the form attached to the Interim Order as Exhibit 2 (a “Notice of Substantial Equityholder Status”), on or before the later of (i) 14 days after entry of the Interim Order or (ii) 14 days after becoming a Substantial Equityholder.
- iii. Stock Acquisition Notice. At least 28 days prior to any transfer of Equity Securities (including options to acquire stock or any exercise thereof) that would result in an increase in the amount of Equity Securities beneficially owned by a Substantial Equityholder or would result in a person or entity becoming a Substantial Equityholder, such Substantial Equityholder or potential Substantial Equityholder shall (A) file with the Court and (B) serve on proposed counsel to the Debtors (at the addresses set forth in paragraph 4(ii) above), advance written notice of the intended transfer of Equity Securities or worthless stock deduction, in the form attached to the Interim Order as Exhibit 3 (a “Stock Acquisition Notice”).
- iv. Stock Disposition Notice. Prior to any transfer of Equity Securities that would result in a decrease in the amount of Equity Securities beneficially owned by a Substantial Equityholder or would result in a person or entity ceasing to be a Substantial Equityholder, such Substantial Equityholder shall (A) file with the Court and (B) serve on proposed counsel to the Debtors (at the addresses set forth in paragraph 2(ii) above), advance written notice of the intended transfer of Equity Securities, in the form attached to the Interim Order as Exhibit 4 (a “Stock Disposition Notice”).
- v. Worthless Stock Deduction Notice. At least 28 days prior to claiming any deduction for worthless stock that would result in a decrease in the amount of Equity Securities beneficially owned by a Substantial Equityholder or would result in a person or entity ceasing to be a Substantial Equityholder, such Substantial Equityholder or potential Substantial Equityholder shall (A) file with the Court and (B) serve on proposed counsel to the Debtors (at the addresses set forth in paragraph 2(ii) above), advance written notice of the intended worthless stock deduction, in the form attached to the Interim Order as Exhibit 5 (a “Worthless Stock Deduction Notice”).
- vi. Objection Procedures. The Debtors shall have 21 days after receipt of a Stock Acquisition Notice, a Stock Disposition Notice, or a Worthless Stock Deduction Notice (each, a “Transfer Notice”) to file with the Court and serve on the party filing the Transfer Notice an objection to the proposed Transfer or worthless stock deduction on the grounds that such Transfer or deduction may adversely affect the Debtors’ ability to utilize their NOLs. If the Debtors file an objection, the proposed Transfer or deduction will not be effective unless and until approved by

a final and non-appealable order of this Court. If the Debtors do not object within such 21-day period, the Transfer may proceed solely as set forth in the Transfer Notice. Further Transfers or deductions within the scope of this paragraph must comply with the Equity Transfer Procedures set forth in this paragraph 4.

- vii. Unauthorized Transfers of Equity Securities or Worthless Stock Deductions. Effective as of the Petition Date and until further order of this Court to the contrary, any acquisition or disposition of Equity Securities or claims of worthless stock deductions in violation of the Equity Transfer Procedures shall be null and void *ab initio* as an act in violation of the automatic stay under section 362 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that upon the request of any entity, Kurtzman Carson Consultants LLC, the claims and noticing agent in these chapter 11 cases, will provide a form of each of the required Transfer Notices described above and a copy of the Interim Order; also, such documents are available at www.kccllc.net/sportsauthority.

PLEASE TAKE FURTHER NOTICE that if no objections to the Motion are timely filed, served, and received by March 22, 2016 at 4:00 p.m. (ET), the Interim Order shall be deemed a final order upon expiration of such Objection Deadline without further notice or hearing, and the Motion shall be granted on a final and permanent basis.

PLEASE TAKE FURTHER NOTICE that, the requirements set forth in this Notice and the Interim Order are in addition to the requirements of all applicable law and do not excuse compliance therewith.

Dated: March 10, 2016
Wilmington, Delaware

/s/ Andrew L. Magaziner
Michael R. Nestor (No. 3526)
Kenneth J. Enos (No. 4544)
Andrew L. Magaziner (No. 5426)
YOUNG CONAWAY STARGATT & TAYLOR, LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253
mnestor@ycst.com
kenos@ycst.com
amagaziner@ycst.com

-and-

Robert A. Klyman (CA No. 142723)
Matthew J. Williams (NY No. 3019106)
Jeremy L. Graves (CO No. 45522)
Sabina Jacobs (CA No. 274829)
GIBSON, DUNN & CRUTCHER LLP
333 South Grand Avenue
Los Angeles, CA 90071-1512
Telephone: (213) 229-7000
Facsimile: (213) 229-7520
rklyman@gibsondunn.com
mjwilliams@gibsondunn.com
jgraves@gibsondunn.com
sjacobs@gibsondunn.com

*Proposed Counsel to the Debtors and
Debtors in Possession*