

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

TSAWD HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 16-10527 (MFW)

(Jointly Administered)

Hearing Date: April 25, 2017 at 10:30 a.m. (ET)

Obj. Deadline: April 5, 2017 at 4:00 p.m. (ET)

**DEBTORS' MOTION FOR ORDER (I) AUTHORIZING THE SALE OF
CERTAIN CLAIMS OWNED BY THE DEBTORS, FREE AND CLEAR OF
LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS;
(II) APPROVING A RELATED PURCHASE AGREEMENT; AND
(III) GRANTING RELATED RELIEF**

TSAWD Holdings, Inc. and its affiliated debtors and debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (collectively, the "Chapter 11 Cases") hereby move this Court (this "Motion") for entry of an order, substantially in the form annexed hereto as Exhibit A (the "Proposed Order"), pursuant to sections 105(a) and 363 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), (i) authorizing the sale (the "Sale") of certain claims owned by the Debtors (collectively, the "Circuit City Claims") in *In re Circuit City Stores, Inc.*, Bankruptcy Case No. 08-35653-KRH (Bankr. E.D. Va.) (the "Circuit City Bankruptcy Case") on an "as is,

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: TSAWD Holdings, Inc. (9008); Slap Shot Holdings Corp. (8209); TSAWD, 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 2305 East Arapahoe Road, Suite 234, Centennial, Colorado 80122.

The Debtors were formerly known as: 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).



where is” basis, free and clear of any and all liens, claims, encumbrances, and other interests to Liquidity Solutions, Inc. or its designee or permitted assignee (the “Purchaser”) pursuant to the terms and conditions of the Asset Purchase and Sale Agreement, dated as of February 15, 2017 (as may be amended, supplemented, or otherwise modified from time to time, the “Purchase Agreement”), by and between the Debtors and the Purchaser, a copy of which is attached as Exhibit 1 to the Proposed Order, (ii) authorizing and approving the Purchase Agreement, and (iii) granting certain related relief. In support of this Motion, the Debtors submit the *Declaration of David Peress in Support of the Debtors’ Motion for Order (I) Authorizing the Sale of Certain Claims Owned by the Debtors, Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (II) Approving a Related Purchase Agreement; and (III) Granting Related Relief* (the “Peress Declaration”), filed contemporaneously herewith. In further support of this Motion, the Debtors respectfully represent as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334(b), and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b), and pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are sections 105(a) and 363 of the Bankruptcy Code, Bankruptcy Rules 2002 and 6004, and Local Rule 6004-1.

BACKGROUND

A. General Background

3. On March 2, 2016 (the “Petition Date”), each of the Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the “Court”). Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are continuing to manage their financial affairs as debtors in possession. No trustee has been appointed in the Chapter 11 Cases.

4. On March 10, 2016, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed the statutory committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the “Committee”).

5. Information regarding the Debtors’ history and business operations, capital structure and primary secured indebtedness, and the events leading up to the commencement of these Chapter 11 Cases is set forth in the *Declaration of Jeremy Aguilar in Support of the Debtors’ Chapter 11 Petitions and Requests for First Day Relief* [Docket No. 22], which was filed on the Petition Date.

B. Description of the Circuit City Claims

6. The Circuit City Claims consist of all of the Debtors’ right, title, and interest in two allowed general unsecured claims (Claim No. 6586 and Claim No. 12561) held by the Debtors in the Circuit City Bankruptcy Case, which is pending in the United States Bankruptcy Court for the Eastern District of Virginia. To date, the Debtors have received aggregate interim distributions totaling exactly 45 percent of the aggregated allowed amount of the Circuit City Claims (the “Interim Distributions”). To date, holders of other allowed general unsecured claims in the Circuit City Bankruptcy Case also recovered 45 percent of the aggregate amount of their respective claims. The trustee for the Circuit City Liquidating Trust has stated in recent

bankruptcy court hearings that additional distributions on account of unsecured claims in the Circuit City Bankruptcy Case will be made. However, there is no certainty at this time as to whether additional distributions will actually be made and, if so, when such distributions will be made and what percentage of the remaining allowed amount of the Circuit City Claims will be distributed.

C. The Debtors' Marketing Efforts and the Sale Process

7. The Debtors engaged Hilco IP Services, LLC d/b/a Hilco Streambank ("Hilco Streambank") to market and facilitate the sale of the Circuit City Claims. As described in the Peress Declaration, Hilco Streambank generated a targeted list of 28 potential buyers (collectively, the "Potential Bidders") and directly emailed or called each of the Potential Bidders, advising them of the availability of the Circuit City Claims for acquisition. The parties contacted by Hilco Streambank included claims trading companies, entities that have bought claims in the Circuit City Bankruptcy Case, and entities that already hold allowed claims in the Circuit City Bankruptcy Case. Hilco Streambank engaged in correspondence, meetings, and/or telephone conversations with all Potential Bidders, and ultimately nine of the Potential Bidders were given access to a virtual data room containing information concerning the Circuit City Claims.

8. Hilco Streambank notified the Potential Bidders that any offers for the acquisition of the Circuit City Claims were required to be submitted in writing on or before February 9, 2017 at 5:00 p.m. (ET) (the "Initial Bid Deadline"). Hilco Streambank also advised the Potential Bidders that in the event that one or more bidders with bids within 10 percent of the then-highest bid were received by the Debtors, a second and final round of bidding would be conducted among the then-highest bidder and the bidder or bidders within 10 percent of the then-highest bid.

9. As of the Initial Bid Deadline, the Debtors received a total of seven qualified bids from certain Potential Bidders (collectively, the “Qualified Bids”) for the acquisition of the Circuit City Claims, and three such Qualified Bids were within 10 percent of the then-highest bid of \$50,054.40 (such Qualified Bids collectively, the “Top Bids”). The Potential Bidders who submitted the Top Bids were invited to participate in the second and final round of bidding, and submit their second and final bids in writing on or before February 13, 2017 at 5:00 p.m. (ET) (the “Final Bid Deadline”).

10. As of the Final Bid Deadline, the Debtors received the highest and best Qualified Bid for the acquisition of the Circuit City Claims from the Purchaser in the amount of \$54,699.45 (the “Successful Bid”). The Debtors believe that the Successful Bid represents a fair and reasonable offer for the Circuit City Claims, and a sale of the Circuit City Claims to the Successful Bidder will provide the Debtors with maximum value for the Circuit City Claims, for the benefit of the Debtors’ estates and creditors. The Debtors believe that the Sale provides material value for their estates and is in the best interest of the Debtors, their estates, and their creditors. The Debtors and their advisors do not believe that any further marketing of the Circuit City Claims would generate additional value for the Debtors’ estates in excess of the Successful Bid.

D. Summary of the Purchase Agreement²

11. Pursuant to the terms and conditions of the Purchase Agreement, and subject to the Court’s approval, the Debtors propose to sell the Circuit City Claims on an “as is, where is basis” free and clear of all liens, claims, encumbrances and other interests. The Debtors and the

² This summary of the Purchase Agreement is provided for the Court’s convenience only. To the extent this summary differs in any way from the terms and conditions of the Purchase Agreement, the actual terms of the Purchase Agreement shall control.

Purchaser negotiated the terms of the Sale and the Purchase Agreement at arms' length and in good faith. The material terms and conditions of the Purchase Agreement are as follows:

<u>Legal Description of the Circuit City Claims</u> Purchase Agreement Recitals	The Purchaser agrees to buy and the Debtors agree to sell the following: Claim No. 6586 and Claim No. 12561, each an allowed general unsecured claim, in <i>In re Circuit City Stores, Inc.</i> , Bankruptcy Case No. 08-35653-KRH (Bankr. E.D. Va.).
<u>Purchase Price</u> Purchase Agreement § 1.1	\$54,699.45; provided, however, that in the event that the Debtors receive any distributions or payments on account of the Circuit City Claims other than the Interim Distributions, the Debtors shall retain such additional distributions and the Purchase Price shall be reduced by the amount of the additional distributions on a dollar-for-dollar basis.
<u>Effective Date</u> Purchase Agreement § 1.2	The Agreement becomes effective (the " <u>Effective Date</u> ") on the date an order approving the Sale is entered in the Chapter 11 Cases unless such order is subject to any stay, in which case the Effective Date shall be the first date on which such stay expires.
<u>Closing and Closing Date</u> Purchase Agreement § 1.3	The Closing shall occur on the third business day following the Effective Date (the " <u>Closing Date</u> "). On or before the Closing Date, the Purchaser shall deliver to the Debtors an amount equal to the Purchase Price in immediately available funds by confirmed wire transfer to a bank account to be designated by the Debtors in advance.
<u>Relief from Bankruptcy Rule 6004(h)</u> Proposed Order ¶ 27	The Proposed Order provides that the provisions of Bankruptcy Rule 6004(h) shall be waived.
<u>Sale Free and Clear</u> Proposed Order ¶ 9	The Proposed Order provides that the Circuit City Claims shall be transferred to the Purchaser free and clear of all liens, claims, encumbrances, and interests of any kind or nature to the fullest extent permitted by section 363 of the Bankruptcy Code.

RELIEF REQUESTED

12. By this Motion, the Debtors, pursuant to sections 105(a) and 363 of Bankruptcy Code, Bankruptcy Rules 2002 and 6004, and Local Rule 6004-1, request that the Court enter an order, substantially in the form of the Proposed Order, (a) authorizing the Sale in accordance

with the Purchase Agreement, (b) authorizing and approving the Purchase Agreement, and (c) granting related relief.

BASIS FOR RELIEF REQUESTED

13. For the reasons explained in detail below, the Debtors believe that the approval of the Sale of the Circuit City Claims to the Purchaser pursuant to the terms and conditions in the Purchase Agreement is appropriate and in the best interest of the Debtors, their estates, and creditors.

14. Section 363(b)(1) of the Bankruptcy Code provides: “The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Section 105(a) of the Bankruptcy Code provides: “The Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). In pertinent part, Bankruptcy Rule 6004 states that “all sales not in the ordinary course of business may be by private sale or by public auction.” Fed. R. Bankr. P. 6004(f)(1). With respect to the notice required in connection with a sale, Bankruptcy Rule 2002(c)(1) states, in pertinent part, that,

[T]he notice of a proposed use, sale, or lease of property . . . shall include the time and place of any public sale, the terms and conditions of any private sale and the time fixed for filing objections. The notice of a proposed use, sale, or lease of property, including real estate, is sufficient if it generally describes the property.

Fed. R. Bankr. P. 2002(c)(1).

15. To approve the use, sale, or lease of property out of the ordinary course of business, the Court must find some articulated business justification for the proposed action. *See In re Abbotts Dairies of Pa. Inc.*, 788 F.2d 143, 145-47 (3d Cir. 1986) (implicitly adopting the articulated business justification and good faith tests of *Comm. of Equity Sec. Holders v. Lionel*

Corp. (In re Lionel Corp.), 722 F.2d 1063, 1070 (2d Cir. 1983)); *see also In re Del. & Hudson Ry. Co.*, 124 B.R. 169, 175-76 (D. Del. 1991) (concluding that the Third Circuit has adopted a “sound business purpose” test in *In re Abbotts Dairies*).

16. Generally, courts have applied four factors in determining whether a sale of a debtor’s assets should be approved: (a) whether a sound business reason exists for the proposed transaction; (b) whether fair and reasonable consideration is provided; (c) whether the transaction has been proposed and negotiated in good faith; and (d) whether adequate and reasonable notice is provided. *See In re Lionel*, 722 F.2d at 1071 (setting forth the “sound business purpose” test); *In re Abbotts Dairies*, 788 F.2d at 145-57 (implicitly adopting the articulated business justification test and adding the “good faith” requirement); *In re Del. & Hudson Ry.*, 124 B.R. at 176 (“Once a court is satisfied that there is a sound business reason or an emergency justifying the pre-confirmation sale, the court must also determine that the trustee has provided the interested parties with adequate and reasonable notice, that the sale price is fair and reasonable and that the purchaser is proceeding in good faith.”).

E. The Sale Reflects an Exercise of the Debtors’ Sound Business Judgment

17. Sound business justifications support the Sale of the Circuit City Claims to the Purchaser. As described in the Peress Declaration, the Debtors extensively marketed the Circuit City Claims, and the Potential Bidders engaged in multiple rounds of bidding before the Debtors selected the Successful Bid as the highest and best offer for the Circuit City Claims. The Debtors and their advisors believe that additional marketing would not generate any additional value to the Debtors’ estates in excess of the Purchase Price on account of the Circuit City Claims. Additionally, at this time, there is no certainty as to whether additional distributions will actually be made and, if so, when such distributions will be made and what percentage of the remaining allowed amount of the Circuit City Claims will be distributed. Therefore, based on

their informed business judgment, the Debtors believe that the Sale is in the best interests of their estates and creditors, and represents the best opportunity to monetize the Circuit City Claims at this time in exchange for meaningful value.

A. The Purchase Price is Fair and Reasonable

18. The Debtors believe that the Purchase Price is fair and reasonable. The Purchase Price is the result of extensive marketing efforts by Hilco Streambank and multiple rounds of bidding by the Potential Bidders in the context of a public auction. The Debtors have carefully considered and analyzed the Purchaser's offer as set forth in the Purchase Agreement and have concluded that a sale of the Circuit City Claims pursuant to the Purchase Agreement will generate maximum value for the Circuit City Claims at this time, given that there is no certainty about when the Debtors will receive additional distributions on account of the Circuit City Claims and the amount of such potential distributions. Accordingly, the Debtors believe that the Purchase Price provides fair and reasonable value for the Circuit City Claims at this time.

B. The Sale is Proposed in Good Faith

19. The Debtors submit that the Sale of the Circuit City Claims contemplated herein and as agreed to in the Purchase Agreement has been proposed in good faith. The Purchase Agreement was the product of good faith, arm's length negotiations between the Debtors, on the one hand, and the Purchaser, on the other hand, and was negotiated with the active involvement of the Debtors' officers and advisors. The Debtors believe and submit that the Sale is not the product of collusion or bad faith. Further, no evidence suggests that the Purchase Agreement is anything but the product of arm's length negotiations between the Debtors, the Purchaser, and their respective professionals.

C. Adequate and Reasonable Notice of the Sale Has Been Provided

20. The Debtors are providing adequate notice of the Sale to all parties in interest, as required by section 363(b) of the Bankruptcy Code and Bankruptcy Rule 2002. *See* 11 U.S.C. § 363(b) (“The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate”); Fed. R. Bankr. P. 2002(c)(1) (notice must contain “the time and place of any public sale . . . and the time fixed for filing objections”); *see also In re Del. & Hudson Ry.*, 124 B.R. at 180 (the disclosures necessary in a sale notice need only include the terms of the sale and the reasons why such a sale is in the best interests of the estate and do not need to include the functional equivalent of a disclosure statement).

D. The Sale Should Be Free and Clear of Liens, Claims, and Interests

21. In accordance with section 363(f) of the Bankruptcy Code, a debtor in possession may sell property under section 363(b) “free and clear of any interest in such property of an entity other than the estate” if any one of the following conditions is satisfied: (a) such a sale is permitted under applicable non-bankruptcy law; (b) the party asserting such a lien, claim, or interest consents to such sale; (c) the interest is a lien and the purchase price for the property is greater than the aggregate amount of all liens on the property; (d) the interest is the subject of a bona fide dispute; or (e) the party asserting the lien, claim, or interest could be compelled, in a legal or equitable proceeding, to accept a money satisfaction for such interest. 11 U.S.C. § 363(f).

22. The Debtors have previewed the terms of the Sale and the Purchase Agreement with their prepetition and postpetition lenders, as well as with the Committee, and believe that these parties have no objections to the terms of the Sale. Furthermore, bankruptcy courts have held that they have the equitable power to authorize sales free and clear of interests that are not specifically covered by section 363(f). *See, e.g., In re Trans World Airlines, Inc.*, 2001 WL

1820325, at *3, 6 (Bankr. D. Del. Mar. 27, 2001); *Volvo White Truck Corp. v. Chambersburg Beverage, Inc. (In re White Motor Credit Corp.)*, 75 B.R. 944, 948 (Bankr. N.D. Ohio 1987).

The Debtors, therefore, believe that they satisfy at least subsections (b) and (e) of section 363(f) of the Bankruptcy Code.

E. The Purchaser Should Be Entitled to the Protections of 11 U.S.C. § 363(m)

23. The Debtors additionally request that the Court find that the Purchaser is entitled to the protections provided by section 363(m) of the Bankruptcy Code in connection with the Sale. Section 363(m) of the Bankruptcy Code provides, in pertinent part:

The reversal or modification on appeal of an authorization under subsection (b) . . . of this section of a sale . . . of property does not affect the validity of a sale . . . under such authorization to an entity that purchased . . . such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale . . . were stayed pending appeal.

11 U.S.C. § 363(m).

24. Section 363(m) of the Bankruptcy Code protects a purchaser of assets pursuant to section 363 from the risk of losing its interest in the purchased assets if the order allowing the sale is reversed on appeal. Although the Bankruptcy Code does not define “good faith purchaser,” the Third Circuit, construing section 363(m), has stated that “the phrase encompasses one who purchases in ‘good faith’ and for ‘value.’” *In re Abbotts Dairies*, 788 F.2d at 147. To establish the lack of good faith, a party’s conduct in connection with the sale must usually constitute “fraud, collusion between the purchaser and other bidders or the trustee or an attempt to take grossly unfair advantage of other bidders.” *Id.* (citing *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)); *see also In re Bedford Springs Hotel, Inc.*, 99 B.R. 302, 305 (Bankr. W.D. Pa. 1989); *In re Perona Bros., Inc.*, 186 B.R. 833, 839 (D.N.J. 1995). Given the absence of a bright-line test for good faith, this determination is made based on the facts of

each case, concentrating on the “integrity of [an actor’s] conduct during the sale proceedings.” *In re Pisces Leasing Corp.*, 66 B.R. 671, 673 (E.D.N.Y. 1986) (quoting *In re Rock Indus.*, 572 F.2d at 1198).

25. As required by section 363(m) of the Bankruptcy Code, both the Debtors and the Purchaser have acted in good faith in negotiating the Sale of the Circuit City Claims and the Purchase Agreement. There is no evidence of fraud or collusion in the terms and conditions of the Purchase Agreement. To the contrary, as previously discussed, the Sale is the culmination of an extensive marketing process, a public auction, multiple rounds of bidding, and meaningful negotiations in which the Debtors and the Purchaser were ably represented by sophisticated advisors. The Purchaser is not an insider of the Debtors as such term is defined in section 101(31) of the Bankruptcy Code, and all negotiations have been conducted at arm’s length and in good faith. Under the circumstances, the Debtors submit that the Purchaser should be afforded the benefits and protections that section 363(m) provides to a good faith purchaser.

REQUEST FOR WAIVER OF STAY

26. Bankruptcy Rule 6004(h) provides, in relevant part, that an “order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” The Debtors request that the order approving the Sale be effective immediately by providing for the waiver of the 14-day stay period under Bankruptcy Rule 6004(h).

27. The purpose of Bankruptcy Rule 6004(h) is to provide sufficient time for an objecting party to appeal before an order can be implemented. *See* Advisory Committee Notes to Fed. R. Bankr. P. 6004(h). Although Bankruptcy Rule 6004(h) and the Advisory Committee Notes are silent as to when a court should “order otherwise” and eliminate or reduce the stay period, *Collier on Bankruptcy* suggests that the 14-day stay period should be eliminated to allow

a sale or other transaction to close immediately “where there has been no objection to the procedure.” 10 Alan N. Resnick & Henry J. Sommer, *Collier on Bankruptcy* ¶ 6004.11 (16th ed.). Furthermore, *Collier on Bankruptcy* provides that if an objection is filed and overruled, and the objecting party informs the court of its intent to appeal, the stay may be reduced to the amount of time actually necessary to file such appeal. *Id.*

28. Promptly closing the Sale is of critical importance to the Purchaser and to the Debtors in their efforts to maximize and monetize the value of the Circuit City Claims. To obtain maximum value for the Circuit City Claims, the Debtors must be able to proceed quickly to Closing pursuant to the terms of the Purchase Agreement and receive the Purchase Price from the Purchaser no later than the Closing Date. Accordingly, the Debtors request that the Court waive the 14-day stay period under Bankruptcy Rule 6004(h).

NOTICE

29. The Debtors have provided notice of this Motion to: (a) the U.S. Trustee; (b) Pachulski Stang Ziehl & Jones LLP, 919 North Market St., 17th Floor, Wilmington, DE 19801 (attn: Bradford J. Sandler and Colin Robinson), counsel for the Committee; (c) Riemer & Braunstein LLP (attn: Donald Rothman) as counsel for (i) 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, and (ii) certain DIP Lenders under the Debtors’ postpetition financing facility; (d) Brown Rudnick LLP (attn: Robert Stark and Bennett Silverberg) 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; (e) Choate, Hall & Stewart LLP (attn: Kevin Simard) as counsel for

(i) 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, and (ii) certain DIP Lenders under the Debtors' postpetition financing facility; (f) O'Melveny & Meyers LLP (attn: John Rapisardi) 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; (g) all holders of 11.5% Senior Subordinated Notes Due February 19, 2018 under the Securities Purchase Agreement, dated as of May 3, 2006; and (h) all parties that have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

WHEREFORE, the Debtors respectfully request the Court to grant the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: March 22, 2017
Wilmington, Delaware

/s/ Andrew L. Magaziner
Michael R. Nestor (No. 3526)
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
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

Counsel to the Debtors and Debtors in Possession

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

In re:

TSAWD HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 16-10527 (MFW)

(Jointly Administered)

Hearing Date: April 25, 2017 at 10:30 a.m. (ET)

Obj. Deadline: April 5, 2017 at 4:00 p.m. (ET)

NOTICE OF MOTION

TO: (A) THE U.S. TRUSTEE; (B) PACHULSKI STANG ZIEHL & JONES LLP, 919 NORTH MARKET ST., 17TH FLOOR, WILMINGTON, DE 19801 (ATTN: BRADFORD J. SANDLER AND COLIN ROBINSON), COUNSEL FOR THE COMMITTEE; (C) RIEMER & BRAUNSTEIN LLP (ATTN: DONALD ROTHMAN) AS COUNSEL FOR (I) 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, AND (II) CERTAIN DIP LENDERS UNDER THE DEBTORS' POSTPETITION FINANCING FACILITY; (D) BROWN RUDNICK LLP (ATTN: ROBERT STARK AND BENNETT SILVERBERG) 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; (E) CHOATE, HALL & STEWART LLP (ATTN: KEVIN SIMARD) AS COUNSEL FOR (I) 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, AND (II) CERTAIN DIP LENDERS UNDER THE DEBTORS' POSTPETITION FINANCING FACILITY; (F) O'MELVENY & MEYERS LLP (ATTN: JOHN RAPISARDI) AS COUNSEL FOR CERTAIN HOLDERS OF 11.5% SENIOR SUBORDINATED NOTES DUE FEBRUARY 19, 2018 UNDER THE SECURITIES PURCHASE AGREEMENT,

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: TSAWD Holdings, Inc. (9008); Slap Shot Holdings Corp. (8209); TSAWD, 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 2305 East Arapahoe Road, Suite 234, Centennial, Colorado 80122.

The Debtors were formerly known as: 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).

DATED AS OF MAY 3, 2006; (G) ALL HOLDERS OF 11.5% SENIOR SUBORDINATED NOTES DUE FEBRUARY 19, 2018 UNDER THE SECURITIES PURCHASE AGREEMENT, DATED AS OF MAY 3, 2006; AND (H) ALL PARTIES THAT HAVE FILED A NOTICE OF APPEARANCE AND REQUEST FOR SERVICE OF PAPERS PURSUANT TO BANKRUPTCY RULE 2002

PLEASE TAKE NOTICE that TSAWD Holdings, Inc. and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) have filed the attached **Debtors’ Motion for Order (I) Authorizing the Sale of Certain Claims Owned by the Debtors, Free and Clear of Liens, Claims, Encumbrance, and Other Interests; (II) Approving a Related Purchase Agreement; and (III) Granting Related Relief** (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

PLEASE TAKE FURTHER NOTICE that any objections to the relief requested in the Motion must be filed on or before **April 5, 2017 at 4:00 p.m. (ET)** (the “Objection Deadline”) with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 N. Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of any objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE MOTION WILL BE HELD ON **APRIL 25, 2017 AT 10:30 A.M. (ET)** BEFORE THE HONORABLE MARY F. WALRATH, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 5TH FLOOR, COURTROOM #4, WILMINGTON, DELAWARE 19801.

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

[Signature Page Follows]

Dated: March 22, 2017
Wilmington, Delaware

/s/ Andrew L. Magaziner
Michael R. Nestor (No. 3526)
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
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

Counsel to the Debtors and Debtors in Possession

EXHIBIT A

PROPOSED ORDER

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

In re:

TSAWD HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 16-10527 (MFW)

(Jointly Administered)

Ref. Docket No. _____

ORDER, PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE, (I) AUTHORIZING THE SALE OF CERTAIN CLAIMS OWNED BY THE DEBTORS, FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS; (II) APPROVING A RELATED PURCHASE AGREEMENT; AND (III) GRANTING RELATED RELIEF

Upon the *Debtors' Motion for Order (I) Authorizing the Sale of Certain Claims Owned by the Debtors, Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (II) Approving a Related Purchase Agreement; and (III) Granting Related Relief* (the "Motion")² filed by the above-captioned debtors' and debtors-in-possessions' (the "Debtors"); and the Debtors having determined that the highest or otherwise best offer for the Circuit City Claims was made by the Purchaser as part of the Sale pursuant to the terms and conditions in the Asset Purchase and Sale Agreement attached hereto as Exhibit I (the "Purchase Agreement"); and the Court having considered: (i) the Sale Motion and any objections thereto; (ii) the Sale of the Circuit

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: TSAWD Holdings, Inc. (9008); Slap Shot Holdings Corp. (8209); TSAWD, 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 2305 East Arapahoe Road, Suite 234, Centennial, Colorado 80122.

The Debtors were formerly known as: 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).

² All capitalized terms used and not defined herein shall have the meanings ascribed to them in the Motion.

City Claims by the Debtors to the Purchaser pursuant to the Purchase Agreement; (iii) the full record in the Chapter 11 Cases; and all parties in interest having been heard, or having had the opportunity to be heard, regarding the approval of the Purchase Agreement and the Sale of the Circuit City Claims; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest, and that reasonable and adequate notice of the Motion, the Sale contemplated by the Purchase Agreement, and this Order has been provided to all entities required to be served in accordance with the Bankruptcy Code and the Bankruptcy Rules; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

FOUND, CONCLUDED AND DETERMINED THAT:³

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent that any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. The Circuit City Claims constitute property of the Debtors' estates and title thereto is vested in the Debtors' estates within the meaning of section 541(a) of the Bankruptcy Code. The Court has jurisdiction over the Motion and over the property of the Debtors, including, without limitation, the Circuit City Claims to be sold, transferred, and conveyed pursuant to the Purchase Agreement, and the Sale contemplated by the Purchase Agreement pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012. This is a

³ All findings of fact and conclusions of law announced by the Court at any hearing on the Motion are hereby incorporated herein to the extent not inconsistent herewith.

core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of the Bankruptcy Case and the Motion in this District and Court is proper under 28 U.S.C. §§ 1408 and 1409. The statutory bases for the relief requested in the Motion are sections 105(a) and 363 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9014, and Local Rule 6004-1.

C. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, the Court expressly finds that there is no just reason for delay in the implementation of this Order and expressly directs entry of judgment as set forth herein.

D. As evidenced by the certificates and affidavits of service previously filed with the Court, the Debtors have provided proper, timely, sufficient, and appropriate notice of the Motion, the Sale, and this Order in accordance with the Bankruptcy Code and the Bankruptcy Rules. The disclosures made by the Debtors concerning the Purchase Agreement and the Sale contemplated by the Purchase Agreement were good, complete, and adequate.

E. The Debtors sufficiently marketed the Circuit City Claims. The auction process afforded a full, fair, and reasonable opportunity for any entity to make a higher or otherwise better offer to purchase the Circuit City Claims.

F. The Debtors' determination that the Purchase Agreement constitutes the highest or otherwise best offer for the Circuit City Claims constitutes a valid and sound exercise of the Debtors' business judgment. The Purchase Agreement and the Sale contemplated thereby will provide a greater recovery for the Debtors' estates than would be provided by any other available alternative. The Purchase Agreement and the Sale contemplated thereby represent a fair and

reasonable offer to purchase the Circuit City Claims under the circumstances.

G. The Debtors have demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the Sale of the Circuit City Claims outside the ordinary course of business. Such business reasons include, without limitation, the following: (i) the Purchase Agreement constitutes the highest or otherwise best offer for the Circuit City Claims; (ii) the Purchase Agreement and the closing thereon will present the best opportunity to realize the value of the Circuit City Claims at this time; and (iii) any other transaction, including, without limitation, pursuant to a chapter 11 plan, would not have yielded as favorable an economic result. Approval of the Motion and the Purchase Agreement and the consummation of the Sale contemplated thereby are in the best interests of the Debtors, their estates, their creditors, and other parties in interest. Therefore, the Debtors have articulated good and sufficient reasons for the Court to grant the relief requested in the Motion.

H. The Purchaser is purchasing the Circuit City Claims in good faith and is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code, is entitled to the full protections of that provision, and has proceeded in good faith in all respects in connection with this proceeding in that, *inter alia*: (i) the Purchaser recognized that the Debtors were free to deal with any other entity interested in acquiring the Circuit City Claims; (ii) the Purchaser agreed to subject its bid to a competitive auction bidding process; (iii) all payments to be made by the Purchaser and other agreements or arrangements entered into by the Purchaser in connection with the Sale have been disclosed; (iv) the Purchaser has not violated section 363(n) of the Bankruptcy Code by any action or inaction; and (v) the negotiation and execution of the Purchase Agreement and the Sale contemplated thereby was at arm's length and in good faith.

I. The Debtors and the Purchaser have not engaged in any conduct that would

permit the Purchase Agreement or the Sale contemplated thereby to be avoided under section 363(n) of the Bankruptcy Code.

J. The consideration provided by the Purchaser pursuant to the Purchase Agreement is fair and adequate and constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

K. By consummating the Sale pursuant to the Purchase Agreement, the Purchaser is not a mere continuation of the Debtors or their estates and there is no continuity between the Purchaser and the Debtors. The Purchaser is not holding itself out to the public as a continuation of the Debtors. The Purchaser is not a successor to the Debtors or their estates and the Sale does not amount to a consolidation, merger, or *de facto* merger of the Purchaser and the Debtors.

L. The Sale of the Circuit City Claims outside a chapter 11 plan pursuant to the Purchase Agreement neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictates the terms of a chapter 11 plan of the Debtors. The Sale does not constitute a *sub rosa* plan.

M. Subject to the entry of this Order, the Debtors, acting by and through their existing agents, representatives, and officers, have full corporate power and authority to execute and deliver the Purchase Agreement and all other documents contemplated thereby, and no further consents or approvals are required for the Debtors to consummate the Sale contemplated by the Purchase Agreement, except as otherwise set forth in the Purchase Agreement.

N. The transfer of the Circuit City Claims to the Purchaser will be, as of the Closing Date, a legal, valid, and effective transfer of such asset, and vests or will vest the Purchaser with all right, title, and interest of the Debtors to the Circuit City Claims free and clear of all Interests

or Claims (as defined below) accruing, arising, or relating thereto any time prior to the Closing Date; provided that, any such Interests or Claims encumbering all or any portion of the Circuit City Claims that are the subject of the Purchase Agreement shall attach to the proceeds to be received by the Debtors in the same order, priority, and validity that such Interests or Claims had in the Circuit City Claims or the proceeds thereof as of the Petition Date or pursuant to any order of the Bankruptcy Court entered in the Debtors' Chapter 11 Cases.

O. The Debtors may sell the Circuit City Claims free and clear of all Interests or Claims against the Debtors, their estates, or against the Circuit City Claims themselves because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those holders of Interests or Claims against the Debtors, their estates, or the Circuit City Claims who did not object, or who withdrew their objections, to the Sale or the Motion are deemed to have consented thereto pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of such Interests or Claims who did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are adequately protected by having their Interests or Claims, if any, in each instance against the Debtors, their estates, or the Circuit City Claims, attach to the proceeds of the Sale attributable to the Circuit City Claims in which such creditor alleges an interest, in the same order of priority, with the same validity, force, and effect that such creditor had prior to the Sale, and subject to any claims and defenses the Debtors and their estates may possess with respect thereto.

P. If the Sale were not free and clear of all Interests or Claims, or if the Purchaser would, or in the future could, be liable for any of the Interests or Claims, the Purchaser would not have entered into the Purchase Agreement and would not consummate the Sale, thus adversely affecting the Debtors, their estates, and their creditors.

Q. Given all of the circumstances and the adequacy and fair value of the Purchase Price under the Purchase Agreement, the Sale constitutes a reasonable and sound exercise of the Debtors' business judgment, is in the best interests of the Debtors, their estates, their creditors, and other parties in interest, and should be approved.

R. The consummation of the Sale is legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105(a), 363(b), 363(f), and 363(m) of the Bankruptcy Code, and all of the applicable requirements of such sections have been complied with in respect of the Sale.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The relief requested in the Motion is granted and approved as set forth in this Order, and the Sale contemplated thereby and by the Purchase Agreement is approved as set forth in this Order.

2. Any and all objections and responses to the Motion that have not been withdrawn, waived, settled, or resolved as set forth herein, and all reservations of rights included therein, are hereby overruled and denied.

3. Notice of the Motion, the Sale contemplated by the Purchase Agreement, and this Order was fair and equitable under the circumstances and complied in all respects with section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002 and 6004.

Approval of the Sale of the Circuit City Claims

4. The Purchaser's offer for the Circuit City Claims, as embodied in the Purchase Agreement, is the highest or otherwise best offer for the Circuit City Claims. The Purchase Agreement, including, without limitation, all other ancillary documents, and all of the terms and conditions thereof, and the Sale contemplated thereby are hereby approved in all respects.

5. The Sale of the Circuit City Claims and the consideration provided by the Purchaser under the Purchase Agreement is fair and reasonable and shall be deemed for all purposes to constitute a transfer for reasonably equivalent value and fair consideration under the Bankruptcy Code and other applicable law.

6. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors, acting by and through their existing agents, representatives, and officers, are authorized and empowered to take any and all actions necessary or appropriate to (a) consummate the Sale pursuant to and in accordance with the terms and conditions of the Purchase Agreement, (b) close the Sale as contemplated in the Purchase Agreement and this Order, (c) transfer and assign all right, title, and interest (including, without limitation, common law rights) to all property, licenses, and rights to be conveyed in accordance with the terms and conditions of the Purchase Agreement, and (d) execute and deliver, perform under, consummate, implement, and close fully the Purchase Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Purchase Agreement and the Sale, including, without limitation, any ancillary documents, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the Purchase Agreement and such ancillary documents.

7. This Order shall be binding in all respects upon the Debtors, their estates, all creditors, all holders of equity interests in the Debtors, all holders of any Interests or Claims (whether known or unknown) against any Debtor, any holders of Interests or Claims against or on the Circuit City Claims, all counterparties to any executory contract or unexpired lease of the Debtors, the Purchaser and all successors and assigns of the Purchaser, and any trustees, examiners, or other fiduciaries under any section of the Bankruptcy Code, if any, subsequently

appointed in the Bankruptcy Case or upon a conversion to chapter 7 under the Bankruptcy Code of the Bankruptcy Case.

8. The terms and provisions of the Purchase Agreement and this Order shall inure to the benefit of the Debtors, their estates, and their creditors, the Purchaser and their respective Affiliates, successors, and assigns, and any affected third parties, including, without limitation, all entities asserting any Interests or Claims in the Circuit City Claims to be sold to the Purchaser pursuant to the Purchase Agreement, notwithstanding any subsequent appointment of any trustee(s), party, entity, or other fiduciary under any section of any chapter of the Bankruptcy Code, as to which trustee(s), party, entity, or other fiduciary such terms and provisions likewise shall be binding.

Sale and Transfer of Circuit City Claims

9. Pursuant to sections 105(a), 363(b), and 363(f) of the Bankruptcy Code, upon the Closing Date and pursuant to the Purchase Agreement, the Circuit City Claims shall be transferred to the Purchaser free and clear of all interests, including, without limitation, mortgages, restrictions, hypothecations, charges, indentures, loan agreements, instruments, collective bargaining agreements, leases, licenses, options, deeds of trust, security interests, other interests, conditional sale or other title retention agreements, pledges, liens (including, without limitation, mechanics', materialmen's and other consensual and non-consensual liens, and statutory liens), judgments, demands, encumbrances, rights of first refusal, offsets, contracts, recoupment, rights of recovery, claims for reimbursement, contribution, indemnity, exoneration, products liability, alter-ego, environmental, or tax, decrees of any court or foreign or domestic governmental entity, or charges of any kind or nature, if any, including, without limitation, any restriction on the use, voting, transfer, receipt of income, or other exercise of any attributes of

ownership, debts arising in any way in connection with any agreements, acts, or failures to act, including, without limitation, any pension liabilities, retiree medical benefit liabilities, liabilities related to the Employee Retirement Income Security Act, liabilities related to the Internal Revenue Code, or any other liability relating to Debtors' current and former employees, including, without limitation, any withdrawal liabilities, of the Debtors or any of the Debtors' predecessors or Affiliates, claims (as that term is defined in the Bankruptcy Code), whether known or unknown, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or non-material, disputed or undisputed, whether arising prior to or subsequent to the commencement of the Bankruptcy Case, and whether imposed by agreement, understanding, law, equity, or otherwise, including, without limitation, claims otherwise arising under doctrines of successor liability (collectively, the "Interests or Claims"), with all such Interests or Claims to attach after the Closing Date to the proceeds of the Sale in the order of their priority, with the same validity, force, and effect which they now have as against the Circuit City Claims, subject to any claims and defenses the Debtors may possess with respect thereto.

10. Subject to the entry of this Order and terms and conditions of this Order, the transfer of Circuit City Claims to the Purchaser pursuant to the Purchase Agreement does not require any consents other than as specifically provided for in the Purchase Agreement and constitutes a legal, valid, and effective transfer of the Circuit City Claims, and shall vest the Purchaser with all of the right, title, and interest of the Debtors in and to the Circuit City Claims as set forth in the Purchase Agreement, as applicable, free and clear of all Interests or Claims of any kind or nature whatsoever.

11. Except as expressly permitted or otherwise specifically provided by the Purchase Agreement or this Order, all entities holding Interests or Claims in all or any portion of the Circuit City Claims arising under or out of, in connection with, or in any way relating to the Debtors, the Circuit City Claims, or the transfer of the Circuit City Claims to the Purchaser, hereby are forever permanently barred, estopped, and enjoined from asserting against the Purchaser or its successors or assigns, its property, or the Circuit City Claims, such entities' Interests or Claims in and to the Circuit City Claims. On the Closing Date, each creditor of the Debtors is authorized and directed to execute such documents and take all other actions as may be necessary to release Interests or Claims on the Circuit City Claims, if any, as provided for herein, as such Interests or Claims may have been recorded or may otherwise exist. The Sale authorized herein shall be of full force and effect, regardless of the Debtors' lack of good standing in any jurisdiction in which any of the Debtors are formed or authorized to transact business.

12. Effective upon the Closing Date and without further order of the Court, if any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing Interests or Claims against or in the Circuit City Claims shall not have delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfactions, releases of all Interests or Claims that the person or entity has with respect to the Circuit City Claims, or otherwise, then the Purchaser is hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Interests or Claims in the Circuit City Claims of any kind or nature.

13. All entities are hereby forever prohibited and permanently barred, estopped, and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtors to sell and transfer the Circuit City Claims to the Purchaser in accordance with the terms of the Purchase Agreement and this Order.

14. This Order is and shall be binding upon and govern the acts of all entities, including, without limitation, federal, state, and governmental agencies or departments, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the Sale.

15. Except as set forth in the Purchase Agreement or this Order, the Purchaser is purchasing the Circuit City Claims on an “as is, where is” basis.

Additional Provisions

16. Effective upon the Closing Date and without further order of the Court, all entities are forever prohibited and permanently enjoined from commencing or continuing in any manner any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral, or other proceeding against the Purchaser, its successors and assigns, or the Circuit City Claims, with respect to any (a) Interests or Claims arising under, out of, in connection with or in any way relating to the Debtors, the Purchaser, or the Circuit City Claims prior to the closing of the Sale, or (b) successor liability, including, without limitation, the following actions: (i) commencing or

continuing in any manner any action or other proceeding against the Purchaser, its successors or assigns, assets, or properties; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against the Purchaser, its successors or assigns, assets, or properties; (iii) creating, perfecting, or enforcing any Interests or Claims against the Purchaser, its successors or assigns, assets, or properties; (iv) asserting any setoff or right of subrogation or recoupment of any kind against any obligation due the Purchaser or its successors or assigns; or (v) commencing or continuing any action, in any manner or place, that does not comply or is inconsistent with the provisions of this Order or other orders of the Court or the agreements or actions contemplated or taken in respect thereof.

17. The Purchaser is not, by virtue of the consummation of the Sale, assuming, nor shall it be liable or responsible, as successors or otherwise (including, without limitation, with respect to successor or vicarious liabilities of any kind or character), under any theory of law or equity, including, without limitation, any theory of antitrust, environmental successor or transferee liability, labor law, *de facto* merger or substantial continuity, whether known or unknown as of the Closing Date, now existing or hereafter raised, which may be asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtors or any of their predecessors or Affiliates or the obligations of the Debtors or their predecessors or Affiliates arising prior to the Closing Date, for any liabilities, debts, commitments, or obligations (whether known or unknown, disclosed or undisclosed, absolute, contingent, inchoate, fixed, or otherwise) in any way whatsoever relating to or arising from the Circuit City Claims or the Debtors' operation of their business or ownership of the Circuit City Claims on or prior to the Closing Date or any such liabilities, debts, commitments, or obligations that in any way whatsoever relate to periods on or prior to the Closing Date or are to be observed, paid,

discharged, or performed on or prior to the Closing Date, or any liabilities calculable by reference to the Debtors or their assets or operations, or relating to continuing conditions existing on or prior to the Closing Date, including, without limitation, with respect to any of the Debtors' predecessors or Affiliates, which liabilities, debts, commitments, and obligations are hereby extinguished insofar as they may give rise to successor liability, without regard to whether the claimant asserting any such liabilities, debts, commitments, or obligations has delivered to the Purchaser a release thereof.

18. The Purchaser has given substantial consideration under the Purchase Agreement for the benefit of the holders of any Interests or Claims. The consideration given by the Purchaser shall constitute valid and valuable consideration for the releases of any potential claims of successor liability of the Purchaser, which releases shall be deemed to have been given in favor of the Purchaser by all holders of Interests or Claims against or in the Debtors or the Circuit City Claims.

19. Except as otherwise expressly provided in the Purchase Agreement, no person or entity, including, without limitation, any federal, state, or local governmental agency, department, or instrumentality, shall assert by suit or otherwise against the Purchaser or its successors or assigns any claim that they had, have, or may have against the Debtors, or any liability, debt, or obligation relating to or arising from the Circuit City Claims, and all persons and entities are hereby enjoined from asserting against the Purchaser in any way any such claims, liabilities, debts, or obligations.

20. The Debtors, including, without limitation, their respective officers, employees, and agents, are hereby authorized and directed to execute such documents and do such acts as are reasonably necessary or desirable to carry out the Sale contemplated by the terms and conditions

of the Purchase Agreement and this Order. The Debtors shall be, and they hereby are, authorized to take all such actions as may be necessary to effectuate the terms of this Order.

21. To the extent applicable, the automatic stay pursuant to section 362 of the Bankruptcy Code is hereby lifted with respect to the Debtors to the extent necessary, without further order of the Court (a) to allow the Purchaser to give the Debtors any notice provided for in the Purchase Agreement and (b) to allow the Purchaser to take any and all actions permitted by the Purchase Agreement in accordance with the terms and conditions thereof, including, without limitation, effectuating the Sale.

22. The Sale contemplated by the Purchase Agreement is undertaken by the Purchaser without collusion and in good faith, as that term is defined in section 363(m) of the Bankruptcy Code and, accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale (including, without limitation, the transfer of the Circuit City Claims free and clear of all Interests or Claims), unless such authorization and consummation of such Sale are duly stayed pending such appeal. The Purchaser is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code and, as such, are entitled to the full protections of section 363(m) of the Bankruptcy Code. As a good faith buyer of the Circuit City Claims, the Purchaser has not colluded with any of the other bidders, potential bidders, or any other entities interested in the Circuit City Claims and, therefore, neither the Debtors nor any successor in interest to the Debtors' estates nor any other party in interest shall be entitled to bring an action against the Purchaser or any of its Affiliates, and the Sale of the Circuit City Claims may not be avoided, pursuant to section 363(n) of the Bankruptcy Code.

23. Nothing in this Order or the Purchase Agreement releases, nullifies, precludes, or enjoins the enforcement of any police or regulatory liability (including but not limited to for reclamation and mitigation and any associated long-term protection requirements) to a governmental unit that any entity would be subject to as the owner or operator of property after the date of entry of this Order. Nothing in this Order or the Purchase Agreement authorizes the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization or (e) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements under police or regulatory law. Nothing in this Order divests any tribunal of any jurisdiction it may have under police or regulatory law to interpret this Order or to adjudicate any defense asserted under this Order.

24. The failure specifically to include any particular provisions of the Purchase Agreement, including, without limitation, any of the documents, agreements, or instruments executed in connection therewith, in this Order shall not diminish or impair the efficacy of such provision, document, agreement, or instrument, it being the intent of the Court that the Purchase Agreement and each document, agreement, or instrument executed in connection therewith be authorized and approved in its entirety.

25. To the extent that this Order is inconsistent with any prior order or pleading with respect to the Motion in the Bankruptcy Case, the terms of this Order shall govern. To the extent there are any inconsistencies between the terms of this Order and the Purchase Agreement (including, without limitation, all ancillary documents executed in connection therewith), the terms of this Order shall govern.

26. Absent the written consent of the Purchaser, nothing contained in any chapter 11 plan, or order of any type or kind entered in (a) the Bankruptcy Case, (b) any subsequent chapter

7 or chapter 11 case of any of the Debtors, or (c) any related proceeding subsequent to entry of this Order shall conflict with or derogate from the provisions of the Purchase Agreement or the terms of this Order.

27. Notwithstanding Bankruptcy Rules 6004(h), 6006(d), 7062, and 9014, this Order shall be effective immediately upon entry, and the Debtors and the Purchaser are authorized to close the Sale immediately upon entry of this Order. The Purchase Agreement shall be deemed effective immediately upon entry of this Order.

28. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order. The Purchaser shall remit the Purchase Price to the Debtors on or before the Closing Date in accordance with the Purchase Agreement.

29. The Purchase Agreement and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment, or supplement does not have a material adverse effect on the Debtors' estates.

30. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

31. No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the Sale.

32. The recitations in this Order of specific agreements, plans, statutes, or categories thereof is not intended, and shall not be construed, to limit the generality of the categories of liabilities, debts, commitments, or obligations referred to therein.

33. The provisions of this Order are non-severable and mutually dependent.

34. The Court shall retain jurisdiction to, among other things, interpret, implement,

and enforce the terms and provisions of this Order and the Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to the Sale or the Purchase Agreement.

Dated: _____, 2017
Wilmington, Delaware

MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT I
PURCHASE AGREEMENT

ASSET PURCHASE AND SALE AGREEMENT

THIS ASSET PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into this 15th day of February, 2017, by and between LIQUIDITY SOLUTIONS, INC. (the "Purchaser"), and TSA STORES INC. (the "Seller"). The Purchaser and the Seller are sometimes collectively referred to herein as the "Parties" or each individually as a "Party."

RECITALS

- A. On March 2, 2016, the Seller and its affiliates each filed voluntary petitions for relief (collectively, the "Filing") commencing cases (collectively, the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").
- B. The Seller holds two allowed general unsecured claims, Claim No. 6586 and Claim No. 12561 (collectively, the "Circuit City Claims"), in *In re Circuit City Stores, Inc.*, Bankruptcy Case No. 08-35653-KRH (Bankr. E.D. Va.) (the "Circuit City Bankruptcy Case"), which is pending in the United States Bankruptcy Court for the Eastern District of Virginia.
- C. To date, the Seller has received aggregate interim distributions totaling exactly 45 percent of the aggregate amount of the Circuit City Claims (the "Interim Distributions") and the Parties understand that the same distribution has been received on account of other allowed general unsecured claims in the Circuit City Bankruptcy Case. The trustee for the Circuit City Liquidating Trust has stated in recent hearings in the Circuit City Bankruptcy Case that additional distributions on account of allowed general unsecured claims will be made. Whether such additional distributions will occur, when such distributions will occur, and the amount of such distributions is unknown to the Seller and the Purchaser at the time of this Agreement.
- D. The Purchaser desires to purchase the Circuit City Claims from the Seller, and the Seller desires to sell all of its right, title and interest in and to the Circuit City Claims to the Purchaser as provided for in this Agreement, in exchange for the consideration expressly set forth herein.
- E. The Parties desire to consummate the Sale (as defined below) as promptly as practicable after obtaining an order of the Bankruptcy Court approving the Sale (the "Sale Order").

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

SECTION 1. TERMS OF PURCHASE AND SALE

1.1 Sale and Purchase of Claims; Purchase Price.

On the terms and subject to the conditions and other provisions set forth in this Agreement, the Purchaser agrees to purchase all rights, title and interest in the Circuit City Claims from the Seller, and the Seller agrees to sell, transfer and assign all of its right, title and interest in the Circuit City Claims to the Purchaser, for the aggregate sum of \$54,699.45 (the “Purchase Price”); provided, however, that in the event that the Seller has received or does receive any distributions or payments on account of the Circuit City Claims other than the Interim Distributions (any such distributions or payments, the “Additional Distributions”), the Seller shall retain such Additional Distributions and the Purchase Price shall be reduced by the amount of the Additional Distributions on a dollar-for-dollar basis.

1.2 Effectiveness of Agreement.

The Agreement becomes effective (the “Effective Date”) on the date the Sale Order is entered in the Chapter 11 Cases unless the Sale Order is subject to any stay, in which case the Effective Date shall be the first date on which such stay expires.

1.3 Closing.

(a) The closing (the “Closing”) of the purchase and sale of the Circuit City Claims (the “Sale”) shall occur on the third business day following the Effective Date (the “Closing Date”). The Closing will be effective as of 12:01 a.m., Eastern Standard Time, on the Closing Date.

(b) On or before the Closing Date, the Purchaser shall deliver to the Seller an amount equal to the Purchase Price in immediately available funds by confirmed wire transfer to a bank account to be designated by the Seller in advance.

(c) On the Closing Date, the Seller shall execute and deliver to the Purchaser the Notice of Change of Address, in the form attached hereto as Exhibit A (the “Notice”).

SECTION 2. REPRESENTATIONS AND WARRANTIES OF SELLER

The Seller represents and warrants to the Purchaser as follows:

2.1 Organization.

The Seller is in good standing under the laws of the state of Delaware.

2.2 Authority.

Following the Effective Date, the Seller shall have the requisite power and authority to execute and deliver this Agreement and the Assignment, and to perform the transactions contemplated hereby or thereby, and such performance does not constitute a violation of the

Seller's certificate of incorporation or organization, by-laws or any other valid instrument to which the Seller is a party or by which the Seller may be bound.

2.3 Due Execution; Validly Binding Agreement.

Following the Effective Date, this Agreement shall constitute a legal, valid and binding obligation of the Seller, enforceable against it in accordance with its terms.

2.4 No Litigation.

Except for the Filing and the Chapter 11 Cases, there is no known suit, action, litigation or other proceeding or governmental or administrative investigation or inquiry, pending or threatened against the Seller or concerning the Circuit City Claims that could prevent or prohibit the Seller from selling the Circuit City Claims or from otherwise complying in full with the provisions of this Agreement.

2.5 Title to Circuit City Claims; No Liens.

The Seller has good, valid and marketable title to the Circuit City Claims and, assuming approval by the Bankruptcy Court pursuant to the Sale Order, can sell the Circuit City Claim free and clear of any mortgage, pledge, lien, security interest, claim, or encumbrance. The Seller has not transferred the Circuit City Claims or any interest therein (other than by way of the grant of blanket liens and similar interests of creditors, if any, that will be released upon Closing and shall attach to the proceeds thereof in the same order and priority as such liens, if any, attached to the Circuit City Claims) except to the Purchaser hereunder. To the knowledge of the Seller (i) all of the information made available to the Purchaser in respect of the Circuit City Claims is consistent with the books and records of the Seller and (ii) the Seller has not opted out or otherwise excluded itself or the Circuit City Claims from any payment thereon or settlement thereof.

2.6 No Reliance.

The Seller has conducted an independent evaluation of the reasonableness of the Purchase Price and has decided to enter into this Agreement and undertake the transactions contemplated hereunder solely in reliance on its own evaluation of the Purchase Price. With the exception of any representations and warranties expressly set forth in or pursuant to this Agreement, the Seller is not relying on (i) any information provided to the Seller or written or oral representations, whether express or implied, by the Purchaser or its respective members, shareholders, officers, directors, employees, agents or affiliates; or (ii) any information provided to the Seller by the Purchaser or its respective shareholders, officers, directors, employees, agents or affiliates in assessing the reasonableness of the Purchase Price. Aside from representations or warranties contained in this Agreement, the Seller acknowledges that the Purchaser expressly disclaims and has not made any warranties, guarantees, promises, or representations of any kind whatsoever regarding the Circuit City Claims, including, but not limited to (i) the value of the Circuit City Claims and (ii) the anticipated recovery and/or timing of recovery on the Circuit City Claim, if at all.

2.7 Information.

The Seller acknowledges that the value of the Circuit City Claims and the final recovery on the Circuit City Claims may not be determined with certainty by the Seller or the Purchaser as of the time of execution of this Agreement or as of the Effective Date. The Seller further acknowledges that the Purchaser may possess material information not known to it. Aside from the representations or warranties contained herein, the Seller agrees that the Purchaser shall have no liability with respect to the non-disclosure of any such information.

2.8 Own Advisors.

The Seller acknowledges that it has had an opportunity to consult with an attorney and/or other relevant professional advisors prior to the execution of this Agreement.

2.9 No Fiduciary or Confidential Relationship.

The Seller acknowledges that the Seller and the Purchaser are not in a fiduciary, confidential, agency or otherwise special relationship, including one of trust, confidence or privity, and that the Seller and the Purchaser are each acting in their own self-interest.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser represents and warrants to the Seller as follows:

3.1 Organization.

The Purchaser is in good standing under the laws of the state of New Jersey.

3.2 Authorization.

The Purchaser has the requisite power and authority to purchase the Circuit City Claims from the Seller, execute and deliver this Agreement, and to perform the transactions contemplated hereby or thereby, and that such performance does not constitute a violation of the Purchaser's certificate of formation, operating agreement or any other valid instrument to which the Purchaser is a party or by which the Purchaser may be bound.

3.3 Due Execution; Validly Binding.

This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.

3.4 No Litigation.

There is no suit, action, litigation or other proceeding or governmental or administrative investigation or inquiry, pending or threatened, against the Purchaser that could prevent or prohibit the Purchaser from purchasing the Circuit City Claims or from otherwise complying in full with the provisions of this Agreement. Transfer of the Circuit City Claims pursuant to this

Agreement will not breach, violate or otherwise contravene any applicable law, statute, regulation or contractual term.

3.5 Purchaser's Solvency.

The Purchaser is solvent and has the funds available to pay the Purchase Price in accordance with this Agreement.

3.6 Independent Investigation.

The Purchaser acknowledges that it has conducted its own independent investigation and evaluation of the Circuit City Claims. The Purchaser has had an opportunity to review the documents and information available through publicly available sources of information.

3.7 No Reliance.

The Purchaser has conducted an independent evaluation of the reasonableness of the Purchase Price and has decided to enter into this Agreement and undertake the transactions contemplated hereunder solely in reliance on its own evaluation of the Purchase Price. With the exception of any representations and warranties expressly set forth in or pursuant to this Agreement, the Purchaser is not relying on (i) any information provided to the Purchaser or written or oral representations, whether express or implied, by the Seller or its respective members, shareholders, officers, directors, employees, agents or affiliates; or (ii) any information provided to the Purchaser by the Seller or its respective shareholders, officers, directors, employees, agents or affiliates in assessing the reasonableness of the Purchase Price. Aside from representations or warranties contained in this Agreement, the Purchaser acknowledges that the Seller expressly disclaims and has not made any warranties, guarantees, promises, or representations of any kind whatsoever regarding the Circuit City Claims, including, but not limited to (i) the value of the Circuit City Claims and (ii) the anticipated recovery and/or timing of recovery on the Circuit City Claim, if at all.

3.8 Information.

The Purchaser acknowledges that the value of the Circuit City Claims and the final recovery on the Circuit City Claims may not be determined with certainty by the Seller or the Purchaser as of the time of execution of this Agreement or as of the Effective Date. The Purchaser further acknowledges that the Seller may possess material information not known to it. Aside from the representations or warranties contained herein, the Purchaser agrees that the Seller shall have no liability with respect to the non-disclosure of any such information.

3.9 Expectation of Return.

The Purchaser understands that the Purchaser's recovery on the Circuit City Claims, if any, may or may not exceed the Purchase Price.

3.10 Own Advisors.

The Purchaser acknowledges that it has had an opportunity to consult with an attorney and/or other relevant professional advisors prior to the execution of this Agreement.

3.11 No Fiduciary or Confidential Relationship.

The Purchaser acknowledges that the Seller and the Purchaser are not in a fiduciary, confidential, agency or otherwise special relationship, including one of trust, confidence or privity, and that the Seller and the Purchaser are each acting in their own self-interest.

SECTION 4. COVENANTS OF SELLER

The Seller covenants to the Purchaser as follows:

4.1 Limited Power of Attorney to Pursue Circuit City Claims.

The Seller hereby irrevocably appoints the Purchaser as its respective true and lawful attorney-in-fact, solely with respect to the Circuit City Claims and for no other purpose whatsoever, and authorizes the Purchaser to take all actions reasonably necessary to act to demand, sue for, compromise and recover all such amounts which are, or may hereafter become due and payable for, or on account of the Circuit City Claims sold, transferred and assigned to the Purchaser; provided, however, that the Purchaser may only take action in the Seller's name to the extent that (i) the Purchaser cannot take such action either solely in its own name or in its own name as assignee or transferee of the Seller; and (ii) the Purchaser provides the Seller with five (5) business days' prior written notice of the action to be taken in the Seller's name.

4.2 Further Assurances.

The Seller will use commercially reasonable efforts, at the Purchaser's sole expense, to provide such further instruments and assurances to effectuate the purposes of this Agreement.

4.3 Payment Delivery.

If the trustee for the Circuit City Liquidating Trust (or such other person or entity acting in a similar capacity) mistakenly sends total or partial payment on account of the Circuit City Claims directly to the Seller or its affiliates, the Seller will be deemed to hold such amounts in trust for the benefit of the Purchaser and shall promptly endorse such payment to the Purchaser and deliver the payment to the Purchaser by personal delivery or by first-class mail, certified, return receipt requested, postage prepaid and addressed to:

Liquidity Solutions, Inc.
One University Plaza, Suite 312
Hackensack, NJ 07601
Attention: Michael Handler
(201) 968-0001
mhandler@liquiditysolutions.com

4.4 Sale Order.

The Seller shall use commercially reasonable efforts to obtain entry of the Sale Order and such other relief from the Bankruptcy Court as may be necessary or appropriate in connection with this Agreement and the consummation of the transactions contemplated by this Agreement. The Seller acknowledges that this Agreement is subject to the approval of the Bankruptcy Court, and shall not be binding on or enforceable against the Seller until entry of the Sale Order. The Seller acknowledges that to obtain such approval, the Seller must demonstrate that it has taken reasonable steps to obtain the highest or otherwise best offer possible for the Circuit City Claims. The Seller acknowledges that the Sale Order shall provide, among other things, that the Sale of the Circuit City Claims shall be on an “as is, where is” basis.

SECTION 5. COVENANTS OF PURCHASER

The Purchaser covenants to the Seller as follows:

5.1 Further Assurances.

The Purchaser will use commercially reasonable efforts to provide such further instruments and assurances to effectuate the purposes of this Agreement.

5.2 Payment of Purchase Price.

The Purchaser shall deliver to the Seller, on or before the Closing Date, an amount equal to the Purchase Price in immediately available funds by confirmed wire transfer to a bank account to be designated by the Seller in advance.

5.3 Sale Order.

The Purchaser agrees that it will promptly take such actions as are reasonably requested by the Seller to assist in obtaining entry of the Sale Order and any necessary findings by the Bankruptcy Court. The Purchaser acknowledges that this Agreement is subject to the approval of the Bankruptcy Court, and shall not be binding on or enforceable against the Seller until entry of the Sale Order. The Purchaser acknowledges that to obtain such approval, the Seller must demonstrate that it has taken reasonable steps to obtain the highest or otherwise best offer possible for the Circuit City Claims. The Purchaser acknowledges that the Sale Order shall provide, among other things, that the Sale of the Circuit City Claims shall be on an “as is, where is” basis.

SECTION 6. GENERAL

6.1 Severability.

In the event that any provision herein becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

6.2 Costs.

The Parties shall each pay their own costs and expenses (including attorneys' fees and accountants' fees) incurred or to be incurred in negotiating, preparing, and executing this Agreement.

6.3 Entire Agreement.

This Agreement (which includes any exhibits and schedules annexed hereto) represents the entire agreement and understanding between the Parties regarding the sale and purchase of the Circuit City Claims and supersedes any and all prior representations, warranties agreements, and understandings, whether written or oral, concerning the sale and/or purchase of the Circuit City Claims.

6.4 Survival of Representations and Warranties.

The representations and warranties contained in this Agreement will not survive the Closing.

6.5 No Oral Modification.

This Agreement may only be amended in a writing signed by both Parties.

6.6 Assignment.

The Purchaser may not assign this Agreement or any of its rights, interests, or obligations hereunder to a third party without the consent of the Seller.

6.7 Jury Trial Waiver.

The Parties hereby irrevocably and knowingly waive to the fullest extent permitted by law any right to a trial by jury in any action or proceeding arising out of this Agreement. The Parties agree that any such action or proceeding shall be tried before a court and not a jury.

6.8 Governing Law; Forum.

Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of law rules, principles or provisions of such state or of any other state. The Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with this Agreement, any breach or default hereunder, or the transactions contemplated hereby and any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such proceeding; provided, however, that, if the Chapter 11 Cases are closed, all proceedings arising out of or relating to this Agreement shall be heard and determined in a New York state court or a federal court sitting in the State of New York.

6.9 Counterparts.

This Agreement may be executed in counterparts, and the original signature pages, PDF, or facsimile copies of each counterpart, when completely assembled, shall constitute an effective and binding Agreement with respect to both Parties.

6.10 Notices.

All notices, requests, demands or any other communication made under, pursuant to, or in accordance with this Agreement, except for normal day-to-day business communications, which may be made orally or in a writing, shall be in writing and shall either be delivered personally or deposited in the United States mail and sent by first-class mail, certified, return receipt requested, postage prepaid and properly addressed as follows:

If to the Purchaser:

Liquidity Solutions, Inc.
One University Plaza, Suite 312
Hackensack, NJ 07601
Attn: Michael Handler
mhandler@liquiditysolutions.com

If to the Seller:

TSAWD Holdings, Inc.
2305 East Arapahoe Road, Suite 234
Centennial, CO 80122
Attn: Douglas Garrett
dgarrett@tsawd.com

with a copy to:

Gibson, Dunn & Crutcher LLP
333 S. Grand Avenue
Los Angeles, CA 90071
Attn: Sabina Jacobs Margot
sjacobs@gibsondunn.com

or to such other address(es) as a Party hereto may indicate to the other Party in the manner provided for herein.

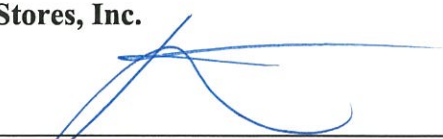
Notices given by mail shall be deemed effective and complete forty-eight (48) hours following the time of posting and mailing, and notices delivered personally shall be deemed effective and complete at the time of delivery if and when a Party provides a signed receipt.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Asset Purchase and Sale Agreement has been executed by the Parties as of the date provided above.

SELLER:

TSA Stores, Inc.

By: 
Name: Douglas Garrett
Title: General Counsel and
Chairman of the Wind-Down Committee

PURCHASER:

Liquidity Solutions, Inc.

By: _____
Name: Michael Handler
Title: Authorized Signatory

IN WITNESS WHEREOF, this Asset Purchase and Sale Agreement has been executed by the Parties as of the date provided above.

SELLER:

TSA Stores, Inc.

By: _____
Name: Douglas Garrett
Title: General Counsel and
Chairman of the Wind-Down Committee

PURCHASER:

Liquidity Solutions, Inc.

By: Michael _____
Name: Michael Handler
Title: Authorized Signatory

EXHIBIT A

NOTICE

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA**

In re:

Circuit City Stores, Inc., *et al.*

Debtors.

Chapter 11

Case No. 08-35653

(Jointly Administered)

NOTICE OF CHANGE OF ADDRESS

PLEASE TAKE NOTICE that TSA STORES INC. (the “Claimant”), a creditor in the chapter 11 cases (the “Chapter 11 Cases”) of the above-captioned debtors (the “Debtors”), directs the Debtors, the Debtors in Possession, and/or the liquidating trustee, and any representatives thereof (including the claims and distribution agent(s) appointed in the Chapter 11 Cases) (collectively, the “Debtor Parties”), to change its address for the purposes of administering its Claim Nos. 6586 and 12561, as listed on the Debtors’ schedules or on proofs of claim filed in the Chapter 11 Cases (collectively, the “Claims”), and hereby requests that service of any pleadings, notices, correspondence, and distributions relating to the Claims be sent to the New Address set forth below, effective as of the date hereof. The Claimant hereby instructs the Debtor Parties that no further changes of address or instruction of any kind with respect to the Claims or any distribution or payment thereon shall be accepted by the Debtor Parties without the express written consent of Liquidity Solutions, Inc. at the new address listed below.

Former Address

TSA Stores, Inc.
1050 W Hampden Avenue
Englewood, CO 80110

New Address

TSA Stores, Inc.
c/o Liquidity Solutions, Inc.
One University Plaza, Suite 312
Hackensack, NJ 07601

I declare that the foregoing is true and correct.

TSA Stores, Inc.

By: _____

Name: Douglas Garrett

Title: General Counsel and
Chairman of the Wind-Down Committee

Date: _____