

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

In re:

hhgregg, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 17-01302-RLM-11

(Jointly Administered)

NOTICE OF SALE, BID PROCEDURES, AUCTION AND SALE HEARING

PLEASE TAKE NOTICE that, on March 9, 2017, the above-captioned debtors and debtors-in-possession (the “Debtors”) filed the *Motion for Orders (A)(I) Scheduling a Bid Procedure Hearing; (II) Authorizing and Approving Bid Procedures; (III) Approving Notice Procedures; (IV) Scheduling a Sale Hearing; and (V) Approving Procedures for Assumption and Assignment and Determining Cure Amounts and (B)(I) Authorizing the Sale of Substantially all of the Debtors’ Assets Free and Clear of all Claims, Liens, Rights, Interests, and Encumbrances; (II) Approving the Successful Bidder Purchase Agreement; and (III) Authorizing the Debtors to Assume and Assign Certain Executory Contracts and Unexpired Leases* [Docket No. 99] (the “Sale Motion”),² with the United States Bankruptcy Court for the Southern District of Indiana (the “Court”), seeking, among other things, entry of an order (the “Sale Order”) authorizing and approving: (a) the sale (the “Sale”) of certain assets (the “Purchased Assets”) free and clear of all liens, claims, encumbrances, and other interests (other than Permitted Encumbrances), with all such liens, claims, encumbrances, and other interests attaching with the same validity and priority to the Sale proceeds, subject to higher or otherwise better offers; and (b) certain procedures for the assumption and assignment of executory contracts (the “Contracts”) and unexpired leases (the “Leases”) in connection with the Sale.

PLEASE TAKE FURTHER NOTICE that the Debtors are soliciting going concern and liquidation offers to purchase all or a portion of the Purchased Assets and assumption of the assumed liabilities of the Debtors consistent with the Bid Procedures (the “Bid Procedures”) approved by the Court by entry of an order on March 30, 2017 [Docket No. 461] (the “Bid Procedures Order”).

PLEASE TAKE FURTHER NOTICE that the deadline for each Potential Bidder to submit a proposal to purchase the Purchased Assets is **April 7, 2017 at 5:00 p.m. (Prevailing Eastern Time)** (the “Bid Deadline”). **All interested bidders should carefully read the Bid Procedures and Bid Procedures Order.** To the extent that there are any inconsistencies

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: hhgregg, Inc. (0538); Gregg Appliances, Inc. (9508); HHG Distributing LLC (5875). The location of the Debtors’ corporate headquarters is 4151 E. 96th Street, Indianapolis, IN 46240.

² Unless otherwise stated, all capitalized terms not defined herein shall have the same meaning as set forth in the Sale Motion.

between this notice and the Bid Procedures or Bid Procedures Order, the Bid Procedures or Bid Procedures Order, as applicable, shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that, if the Debtors receive Qualified Bids within the requirements specified by the Bid Procedures, the Debtors will conduct an auction (the “Auction”) of the Purchased Assets on **April 10, 2017 at 10:00 a.m. (prevailing Eastern Time)** at the offices of at the offices of Ice Miller LLP, One American Square, Suite 2900, Indianapolis, IN 46282 (or at any other location as the Debtors may hereafter provide notice of in accordance with the Bid Procedures and Bid Procedures Order).

PLEASE TAKE FURTHER NOTICE that The Debtors, after consulting with the Consultation Parties, may accept as a single Qualified Bid, multiple bids for non-overlapping portions of the Purchased Assets such that, when taken together in the aggregate, such bids would otherwise meet the standards for a single Qualified Bid. The Debtors, after consulting with the Consultation Parties, may also permit otherwise Qualified Bidders who submitted bids by the Bid Deadline for less than a substantial (but nevertheless material) portion of the Purchased Assets but who were not identified as a component of a single Qualified Bid consisting of such multiple bids, to participate in the Auction and to submit higher or otherwise better bids that, in subsequent rounds of bidding, may be considered together with other bids for non-overlapping material portions of the Assets, as part of such a single Qualified Bid for overbid purposes. Bids may be paired at the Auction with other Qualified Bids for the non-overlapping assets at the discretion of the Debtors and Consultation Parties in order to maximize value.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bid Procedures Order, a hearing will be held before the Honorable Judge Robyn L. Moberly, United States Bankruptcy Judge, in Courtroom 329 of the United States Bankruptcy Court for the Southern District of Indiana, 46 East Ohio Street, Indianapolis, IN 46204, to consider approval of the Sale (the “Sale Hearing”) (a) on **April 12, 2017 at 2:00 p.m. (prevailing Eastern Time)** if the Successful Bidder is (i) a stalking horse pursuing a going concern sale (a “Going Concern Stalking Horse”), or (ii) a liquidator; or (b) on **April 17, 2017 at 9:00 a.m. (prevailing Eastern Time)** if the Successful Bidder is a non-stalking horse bidder that is pursuing a going concern sale (a “Going Concern Non-Stalking Horse”). The Sale Hearing may be rescheduled or continued from time to time without further notice other than the announcement of the adjourned date(s) at the Sale Hearing or any continued hearing or on the applicable hearing agenda or other notice filed on the docket of these Chapter 11 Cases.

PLEASE TAKE FURTHER NOTICE that, the deadline to file objections, if any, to proposed cure amounts (each, a “Cure Objection”), is **April 11, 2017 at 7:00 p.m. (Prevailing Eastern Time)** (the “Cure Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that the deadline to file objections, if any, to the Sale to a Going Concern Stalking Horse or liquidator, including to such Going Concern Stalking Horse or liquidator’s form of Sale Order, assumption or assignment of any Lease or Contract to such Going Concern Stalking Horse or liquidator, or such Going Concern Stalking Horse or liquidator’s Adequate Assurance Package, is **April 11, 2017 at 2:00 p.m. (Prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that, the deadline to file objections, if any, to the Sale to a Going Concern Non-Stalking Horse, including to such party’s form of sale order, or

assumption or assignment of any Lease or Contract to such party, or such party's Adequate Assurance Package, is **April 13, 2017 at 2:00 p.m. (Prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that, objections, if any, must: (i) be in writing, (ii) conform to the applicable provisions of the Bankruptcy Rules, the Local Rules and any orders of the Court, (iii) state with particularity the legal and factual basis for the objection and the specific grounds therefor and (iv) be filed with the Court and served so as to be actually received no later than the Cure Objection Deadline, the Stalking Horse/Liquidator Sale Objection Deadline or the Non-Stalking Horse/Liquidator Sale Objection Deadline, as applicable, by the following parties: (a) the Debtors: hhgregg, Inc., 4151 E. 96th Street, Indianapolis, IN 46240, Attn: Candace Bankovich (candace.bankovich@hhgregg.com); (b) counsel to the Debtors: Morgan Lewis & Bockius LLP, 101 Park Avenue, New York, NY 10178, Attn: Neil E. Herman, Esq. (neil.herman@morganlewis.com) and Ice Miller LLP, One American Square, Suite 2900, Indianapolis, IN 46282, Attn: Jeff Hokanson, Esq. (jeff.hokanson@icemiller.com); (c) the Office of the United States Trustee for the Southern District of Indiana (the "US Trustee"): 101 W. Ohio St., Ste. 100, Indianapolis, IN 46204, Attn: Ronald J. Moore, Esq. (Ronald.Moore@usdoj.gov); (d) proposed counsel to the official committee of unsecured creditors appointed in the Chapter 11 Cases (the "Committee"): Cooley LLP, 1114 Avenue of the Americas, New York, NY 10036, Attn: Cathy Hershcopf, Esq. (email: chershcopf@cooley.com) and Bingham Greenebaum Doll LLP, 2500 National City Tower, 101 South Fifth Street, Louisville, Kentucky 40202, Attn: James R. Irving, Esq. (email: jirving@bgdlegal.com); (e) counsel to the DIP Agent and the Prepetition Agent: Choate, Hall & Stewart LLP, Two International Place, Boston, MA 02110, Attn: John F. Ventola, Esq. and Sean M. Monahan, Esq. (email: jventola@choate.com and smonahan@choate.com) and Faegre Baker Daniels LLP, 600 E. 96th Street, Suite 600, Indianapolis, Indiana 46240, Attn: Jay Jaffe, Esq. and Terry Hall, Esq. (email: jay.jaffe@faegrebd.com and terry.hall@faegrebd.com); (f) counsel to the FILO Agent, DLA Piper LLP, 1201 North Market Street, Suite 2100, Wilmington, DE 19801, Attn: Stuart Brown, Esq. (email: stuart.brown@dlapiper.com); and (g) Stifel, 787 Seventh Avenue, New York, NY 10019, Attn: Derek Alexander, Esq. (email: alexanderd@stifel.com).

PLEASE TAKE FURTHER NOTICE THAT ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE IN ACCORDANCE WITH THE BID PROCEDURES AND APPROVAL ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS SET FORTH IN THE STALKING SUCCESSFUL BIDDER'S ASSET PURCHASE AGREEMENT.

PLEASE TAKE FURTHER NOTICE that copies of the Sale Motion (and all exhibits thereto), the Bid Procedures Order, the Bid Procedures, and proposed Sale Order (and all exhibits thereto) are available for review free of charge by accessing www.donlinrecano.com/hhgregg. In addition, copies of such documents are available upon written request via first class mail to Donlin, Recano & Company, Inc., Re: hhgregg, Inc., et al., 6201 15th Avenue, Brooklyn, NY 11219; via telephone at (800) 591-8252; or email at hhgregginfo@donlinrecano.com.

PLEASE TAKE FURTHER NOTICE that, in accordance with the Bid Procedures and Order, a separate notice will be provided to the counterparties to executory contracts and unexpired leases that may be assumed and assigned in connection with the Sale.

Respectfully submitted,

MORGAN, LEWIS & BOCKIUS LLP
Rachel Jaffe Mauceri (admitted *pro hac vice*)
Katherine L. Lindsay (admitted *pro hac vice*)
101 Park Avenue
New York, New York 10178
Telephone: (212) 309-6000

-and-

/s/ Jeffrey A. Hokanson

ICE MILLER LLP
Jeffrey A. Hokanson (No. 14579-49)
Sarah L. Fowler (No. 30621-49)
One American Square
Suite 2900
Indianapolis, IN 46282-0200
Telephone: (317) 236-2100

Counsel to the Debtors and Debtors in Possession