

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION**

In re:)	Chapter 11
)	
AcuSport Corporation,)	Case No. 18-52736
)	
Debtor.)	Honorable John E. Hoffman, Jr.

DECLARATION OF DANIEL WIKEL IN SUPPORT OF DEBTOR AND DEBTOR IN POSSESSION’S (A) NOTICE OF FILING OF AMENDMENT TO ASSET PURCHASE AGREEMENT WITH ELLETT BROTHERS, LLC AND (B) POSITION STATEMENT REGARDING LACK OF MATERIALITY OF THE AMENDMENT AND WHY NO FURTHER NOTICE IS REQUIRED

Daniel Wikel declares, under penalty of perjury, in accordance with 28 U.S.C. § 1746:

1. I am a managing director with Huron Consulting Services LLC (“*Huron Consulting*”), a financial advisory services firm with numerous offices throughout the country. I submit this Declaration (the “*Declaration*”) in support of Debtor and Debtor in Possession’s (A) Notice of Filing of Amendment to Asset Purchase Agreement with Ellett Brothers, LLC and (B) Position Statement Regarding Lack of Materiality of the Amendment and Why No Further Notice is Required (the “*Notice*”) filed by the debtor and debtor in possession (“*Debtor*” or “*AcuSport*”) in this chapter 11 case (the “*Case*”).¹ Except as otherwise noted, I have personal knowledge of the matters set forth herein.

2. I am authorized to submit this Declaration on behalf of Huron Consulting.

3. Unless otherwise stated, all facts set forth in this Declaration are based on my personal knowledge, review of relevant documents, discussions with members of Debtor’s management team, other members of Huron Consulting, and Debtor’s advisors and other professionals, or represent my opinion, which is based on personal experience and knowledge of

¹ All capitalized terms used herein but not defined shall have the meanings given them in the Notice.

Debtor's operations and financial affairs. If I am called as a witness in this Case, I would testify competently to the facts set forth in this Declaration.

4. I have more than 20 years of experience advising companies and their creditor and equity-holder constituencies in mergers and acquisitions, financings, corporate reorganizations, debt and equity restructurings, complex valuations, and litigation support services. I have advised businesses across a variety of industry segments, with particular emphasis on industrial/manufacturing, retail, logistics/distributors and consumer, and building products.

5. Huron Consulting provides comprehensive solutions to companies in transition, creditor constituencies, and other stakeholders in connection with out-of-court restructurings and bankruptcy proceedings to maximize sustainable value. Huron Consulting provides an in-depth analysis of a company's strengths and weaknesses, and assists with the development of a clear strategy for moving forward. Huron Consulting serves numerous constituencies, including without limitation, chapter 11 debtors. Among other services, including turnaround advisory, Huron Consulting specializes in restructuring advisory services, which involves operational improvement and balance sheet restructuring services to companies, management, and key stakeholders. Working in partnership with clients, Huron Consulting provides an in-depth and experienced analysis of a company's capital structure and liquidity outlook assisting with the development and implementation of a new capital structure supporting long term value enhancement.

6. On May 1, 2018 (the "*Petition Date*"), Debtor filed a chapter 11 petition, commencing this Case, and in connection therewith, Debtor filed a number of motions, including a motion seeking approval of the sale of its assets (the "*Sale*") and, related thereto, bidding

procedures for potential purchasers to bid for Debtor's assets on an accelerated timeline, including approval of Ellett Brothers, LLC ("*Proposed Buyer*") serving as stalking horse bidder in connection with the Sale pursuant to an Asset Purchase Agreement dated as of April 30, 2018 executed by AcuSport and Proposed Buyer (the "*Original APA*").

7. Prior to the Petition Date, Debtor hired Huron Consulting as its financial advisor. Debtor utilized Huron Consulting's services and expertise for numerous matters, including the negotiation of terms pursuant to which Debtor would be permitted to use cash collateral after it filed its bankruptcy petition. This involved, among other things, negotiation with various constituents at the onset of the case, including the agent for Debtor's primary secured lender group, Wells Fargo Bank, National Association ("*Agent*").

8. As part of the cash collateral negotiations, Huron Consulting prepared a detail analysis estimating a recovery range to unsecured creditors that could have been reasonably expected pursuant to the terms of the Original APA and the monetization of remaining assets and wrap-up of Debtor's estate. That analysis included a number of assumptions and variables, including: (a) the estimated recovery value of assets (namely, accounts receivable and inventory) sold or collected in the ordinary course of business; (b) the recovery value of the property, plant and equipment ("*PP&E*") contemplated by the Original APA; (c) estimated operating costs for the Debtor in bankruptcy, including costs of administration of the bankruptcy case; and (d) estimated values of all manner of claims against Debtor's bankruptcy estate (including secured claims, administrative expenses, priority unsecured claims, and general unsecured claims).

9. Over the past six to eight weeks following the preparation of the original analysis, certain key events have occurred, solidifying many of Huron Consulting's original assumptions:

- a. Debtor's accounts receivable have been collected generally in accordance with initial expectations;

- b. the vast majority of Debtor's inventory has been sold in the ordinary course of business with proceeds in excess of initial expectations in the amount of approximately \$1.5 million;
- c. the timeline for the Court's approval of the Sale, and its closing, has been extended by two to three weeks; and
- d. consensual resolution of a dispute with Proposed Buyer has reduced the purchase price for PP&E approximately \$500,000 and increased expected operational expenses for Debtor of approximately \$250,000, amounting to an aggregate change of \$750,000, as incorporated into the APA Amendment.

10. Huron Consulting has performed an updated recovery analysis on a consistent basis with the original analysis, incorporating the actual events of the past six to eight weeks, including a revised estimate of a recovery range to unsecured creditors that can be reasonably expected pursuant to the Sale incorporating the terms of the APA Amendment. This revised analysis has been shared with the official committee of unsecured creditors.

11. Based on the updated analysis, I do not believe that the estimated recovery to unsecured creditors is materially different than what was estimated at the onset of the Case.

Executed on June 15, 2018

/s/ Daniel Wikel
Daniel Wikel
Managing Director
Huron Consulting Services LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Declaration of Daniel Wikel in Support of Debtor and Debtor in Possession's (A) Notice of Filing Amendment to Asset Purchase Agreement with Ellett Brothers, LLC and (B) Position Statement Regarding Lack of Materiality of the Amendment and Why No Further Notice is Required* was served electronically on the date of filing through the court's ECF System on all ECF participants registered in this case at the email address registered with the Court.

/s/ Thomas R. Allen

Thomas R. Allen