

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MINNESOTA**

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In re:

Gander Mountain Company,  
  
Debtor.

Case No.: 17-30673  
Chapter 11 Case

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In re:

Overton's, Inc.,  
  
Debtor.

Case No.: 17-30675  
Chapter 11 Case

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**NOTICE OF HEARING AND MOTION FOR ORDER GRANTING EXPEDITED  
RELIEF AND AUTHORIZING JOINT ADMINISTRATION OF CASES**

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TO: The parties in interest as specified in Local Rule 9013-3(a)(2).

1. The above-captioned debtors and debtors in possession (together, the "Debtors") hereby move this Court for the relief requested below and give notice of hearing.

2. The Court will hold a hearing on this motion at **1:30 p.m. on March 14, 2017**, in **Courtroom 8 West, U.S. Courthouse, 300 South Fourth Street, Minneapolis, Minnesota.**

3. Local Rule 9006-1(c) provides deadlines for responses to this motion. However, given the expedited nature of the relief sought, the Debtors do not object to written responses being served and filed two (2) hours prior to the hearing. **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**

4. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334, Rule 5005 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"),

and Local Rule 1070-1. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The petitions commencing these chapter 11 cases were filed on March 10, 2017 (the "Filing Date"). The cases are currently pending before this Court.

5. This motion arises under Bankruptcy Rule 1015, and is filed under Local Rules 9013-1, 9013-2, and 9013-3. Expedited relief is requested pursuant to Bankruptcy Rule 9006(c) and Local Rule 9006-1(e). Notice of the hearing on this motion is provided pursuant to Bankruptcy Rule 9013 and Local Rules 9013-2 and 9013-3. The Debtors request entry of an order on an expedited basis providing for the joint administration of these Chapter 11 cases and their consolidation for procedural purposes only, pursuant to Bankruptcy Rule 1015(b).

### **BACKGROUND**

6. On the Filing Date, the Debtors filed voluntary petitions for relief pursuant to Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue to operate their business as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors' chapter 11 cases. No creditors' or other official committee has yet been appointed pursuant to section 1102 of the Bankruptcy Code.

7. Further general background information about the Debtors and this case is set forth in the Declaration of Timothy G. Becker in Support of Chapter 11 Petition and Initial Motions. The additional facts relevant to this motion set forth below are verified by Timothy G. Becker, as evidenced by the attached verification.

8. Debtor Gander Mountain Company ("GMC") is the parent company of debtor Overton's, Inc. ("Overton's"), and the Debtors are essentially run as one business. In addition to

operating brick and mortar retail stores, which is handled primarily by GMC (though Overton's also has some limited brick and mortar retail operations), the Debtors have a direct operating segment of their business that focuses on internet and catalog sales. Overton's focuses on direct marketing of a subset of sporting and outdoor products, namely products for recreational boaters, specialty water sports, and related marine accessories. GMC's business also includes an internet sales component, with sales made to customers through its website. Products that are Overton's branded are sold through the GMC website, and vice versa. Essentially, the GMC website and Overton's website are the same, just utilize different URLs, depending on which name the customer uses to reach the website.

9. Prepetition, the Debtors had substantial overlap of their creditors, not only their principal secured lenders, but also with respect to creditors who have sold or may continue to sell goods held in inventory for retail sales by each Debtor. Prepetition, the Debtors did not distinguish between the purchase of inventory as being allocated to Overton's or GMC, but rather the purchased inventory was sold through the various retail channels (in store, catalog, online, etc.) operated by them in combination. In addition, as described in more detail in the Debtors' cash management and bank account motion (filed contemporaneously herewith), GMC and Overton's applied the proceeds of sales of the inventory pre-petition to the loans obtained from their lenders and borrowed new funds under their joint lending facilities to pay the expenses of each Debtor. All expenses of Overton's, except for certain customer refunds, are paid through shared bank accounts with GMC, and where the expenses overlapped, GMC did not distinguish in making payments to creditors as being for Overton's or GMC, and did not allocate expenses between them in its books and records. As a result, it would be difficult, time-consuming, and imprecise to attempt to identify which creditors are owed by which debtors or, in

the case of overlapping creditors—those that are owed some amount by each Debtor, which is the vast majority of the creditors—to attempt to allocate debts between the Debtors. For example, the Debtors estimate that of their approximately 1,350 vendors, approximately 80% involve an overlap between the Debtors.

10. Given this overlap and approach, the Debtors are unable, without significant disruption to their operations and considerable time and expense, to separate out these operations post-filing. As a result, the Debtors intend to conduct ordinary course business post-filing in the same manner as they did pre-filing. The Debtors also anticipate bringing a motion for substantive consolidation in the week or two following the Filing Date. More information will be provided in that motion regarding the intertwined nature of the Debtors.

11. In this motion, the Debtors do not seek and are not requesting substantive consolidation of their assets and liabilities, but instead are seeking joint administration only for purposes of ease of administration of these cases. Therefore, an order granting this motion would not constitute substantive consolidation of these cases.

### **RELIEF REQUESTED**

12. As detailed below, the Debtors request that these cases be jointly administered under the GMC case (Case No. 17-30673). The Debtors also request, in greater detail below, that the case caption and court dockets reflect the joint administration, that they be authorized to file a single, consolidated matrix in the GMC case, and that one claims register for claims against both Debtors be maintained in the GMC case.

13. Bankruptcy Rule 1015(b) provides that if two or more petitions for relief are pending in the same court by or against a debtor and its affiliate, the court may order joint administration of the cases. The term “affiliate” is defined in Section 101(2) of the Bankruptcy Code, in relevant part, as follows:

(A) [an] entity that directly or indirectly owns, controls, or holds with power to vote, 20% of more of the outstanding voting securities of the debtor, other than an entity that hold such securities...

(B) [a] corporation 20% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor, or by an entity that directly or indirectly owns, controls, or holds with power to vote, 20% or more of the outstanding voting securities of the debtor...

11 U.S.C. § 101(2).

14. GMC owns 100% of the outstanding shares of Overton's. As described above, Overton's focuses on direct marketing of a subset of the types of sporting and outdoor goods sold by GMC, but their businesses largely overlap.

15. Given that Overton's is a wholly-owned subsidiary of GMC, the Debtors are affiliates (as that term is defined in 11 U.S.C. § 101(2)). Both Debtors are co-borrowers under one senior secured credit facility, and both Debtors would be parties to any financing requested at the commencement of the cases. The Debtors share certain main bank accounts as part of their cash management system, which is centrally administered on behalf of both Debtors. The Debtors also share many senior-level officers, including: President; Chief Information Officer; Treasurer; Secretary; and Assistant Secretary.

16. In these cases, joint administration is appropriate and will facilitate the practical administration of the cases and the Debtors' sale and other value maximization efforts. Many of the legal issues likely to arise here will be common to both Debtors, and the Debtors expect to execute a combined and comprehensive sale strategy for exiting the chapter 11 cases.

17. In addition, throughout the Chapter 11 cases and especially soon after the Filing Date, the Debtors intend to file a number of motions, applications, and other pleadings which will apply to both of the Debtors' Chapter 11 cases. The joint administration of the cases, including combining notices to creditors of the respective estates and hearing of these matters

related to both of the Debtors at the same time, will promote economical and efficient administration of the estates by avoiding the time and expense associated with Debtors' counsel and all other parties filing duplicate pleadings and preparing duplicate orders.

18. The rights of the respective creditors of the Debtors will not be adversely affected by the joint administration, since this motion requests only administrative consolidation and not substantive consolidation of the Debtors. The request and bases for substantive consolidation will be set forth in a later motion. All creditors will benefit by the reduced costs resulting from joint administration. This court, too, will be relieved of the burden of entering duplicative orders and maintaining duplicative files. Supervision of the administrative aspects of the cases by the United States Trustee will also be simplified. For the avoidance of doubt, the Debtors will work with the office of the United States Trustee to determine a method by which to each calculate and pay its own quarterly fees to the Office of the United States Trustee, unless otherwise ordered by the Court in connection with the anticipated substantive consolidation motion.

19. By reason of the foregoing, the interests of the Debtors and their creditors will be best served by joint administration of the cases, and the Debtors request that the cases be jointly administered, including in the following ways.

20. The Debtors request that the caption of the cases be modified to reflect joint administration as follows:

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MINNESOTA**

**In re:**

**Jointly Administered Under  
Case No. 17-30673 (MER)**

**Gander Mountain Company,  
Overton's, Inc.,**

**Case No. 17-30673  
Case No. 17-30675**

**Debtors.**

**Chapter 11 Cases**

21. In addition, the Debtors request that the Court order that all filings—including proofs of claim, as addressed below—following entry of an order on this motion be made only in the GMC case, unless otherwise directed by subsequent order of this Court. The Debtors also request that a docket entry be made in the Overton’s case, substantially as follows:

An Order has been entered in this case in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the joint administration of the chapter 11 cases of Gander Mountain Company and Overton’s, Inc. The docket in Case No. 17-30673 should be consulted for all matters affecting this case, and all further filings should be made only in that case.

22. Given the difficulties, imprecision, and time and expense related to attempting to separate out their creditors (and the accompanying significant mailing costs that would result from mailing two separate notices to largely overlapping creditor bodies), the Debtors further request that they be authorized to consolidate all creditors onto a single matrix, to be filed in the GMC case. The Debtors expect that they would be able to file such a matrix shortly after the Court enters an order on this motion. The Debtors would work with the Clerk of Court and/or United States Trustee’s office regarding a single case notice, which would address both Debtors, to be sent to the consolidated matrix.

23. Finally, the Debtors request that, unless otherwise directed by subsequent order of this Court, all creditors be directed to file proofs of claim in the GMC case, such that there is one claims register that includes claims against GMC and claims against Overton’s. Just as it would be difficult for the Debtors to separate out their creditors, it may be difficult for creditors to determine which amounts are owed by which of the Debtors. The Debtors believe that maintaining one claim register will reduce confusion for creditors and other parties in interest.

**REQUEST FOR EXPEDITED RELIEF**

24. The Debtors request expedited relief on this Motion, and submit that expedited relief is appropriate. The Debtors have scheduled and served a number of “first day” motions designed to facilitate an orderly transition to chapter 11. The decision regarding joint administration should be made early in the cases so that the parties understand how the cases will be administered and avoid unnecessary cost and confusion associated with filing identical pleadings in both of the cases. In addition, the decision will affect the matrix and notice of case commencement, which must be filed and sent, respectively, as quickly as possible after the Filing Date.

25. Pursuant to Local Rule 9013-2, this motion is verified and is accompanied by a memorandum of law, proposed order, and proof of service.

26. Pursuant to Local Rule 9013-2(c), the Debtors give notice that they may, if necessary, call one or more of the following to testify regarding the facts set forth in this Motion: (a) Timothy G. Becker, the Executive Vice President of Lighthouse Management Group, Inc., the Chief Restructuring Officer of the Debtors, whose business address is 900 Long Lake Road, Suite 180, New Brighton, Minnesota 55112; (b) James A. Bartholomew, the President of Lighthouse Management Group, Inc., the Chief Restructuring Officer of the Debtors, whose business address is 900 Long Lake Road, Suite 180, New Brighton, Minnesota 55112; or (c) Eric R. Jacobsen, the Chief Administrative Officer and Chief Legal Officer for Gander Mountain Company and the Director and Secretary of Overton’s, Inc., whose business address is 180 East Fifth Street, Suite 1300, St. Paul, Minnesota 55101.

**NO PREVIOUS REQUEST**

27. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully request entry of an order:

- A. Granting expedited relief;
- B. Authorizing joint administration of the Debtors' chapter 11 cases, including authorizing the Debtors to consolidate all creditors onto a single matrix, to be filed in the GMC case, and directing that all proofs of claim be filed in the GMC case; and
- C. Granting such other relief as the Court deems just and equitable.

Dated: March 10, 2017

*/e/ Sarah M. Olson*

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Clinton E. Cutler (#0158094)  
Cynthia A. Moyer (#0211229)  
Ryan T. Murphy (#0311972)  
James C. Brand (#387362)  
Sarah M. Olson (#0390238)  
Steven R. Kinsella (#0392289)  
**FREDRIKSON & BYRON, P.A.**  
200 South Sixth Street, Suite 4000  
Minneapolis, MN 55402-1425  
Telephone: 612.492.7000  
ccutler@fredlaw.com  
cmoyer@fredlaw.com  
rmurphy@fredlaw.com  
jbrand@fredlaw.com  
solson@fredlaw.com  
skinsella@fredlaw.com

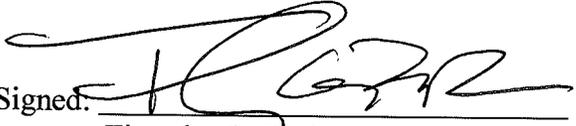
**PROPOSED ATTORNEYS FOR DEBTORS**

60784709

**VERIFICATION**

I, Timothy G. Becker, the Executive Vice President of Lighthouse Management Group, Inc., the Chief Restructuring Officer of the Debtors, declare under penalty of perjury that the facts set forth in the preceding motion are true and correct according to the best of my knowledge, information, and belief.

Dated: March 10, 2017

Signed:   
Timothy G. Becker

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MINNESOTA**

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In re:

Gander Mountain Company,  
  
Debtor.

Case No.: 17-30673  
Chapter 11 Case

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In re:

Overton's, Inc.,  
  
Debtor.

Case No.: 17-30675  
Chapter 11 Case

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**MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR ORDER GRANTING  
EXPEDITED RELIEF AND AUTHORIZING JOINT ADMINISTRATION OF CASES**

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The above captioned debtors (the "Debtors") request expedited relief and an order authorizing joint administration of these cases. The facts supporting requested relief are set out in the Debtors' verified Motion for Order Granting Expedited Relief and Authorizing Joint Administration of Cases (the "Motion"). Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Motion.

**LEGAL ANALYSIS**

**I. CAUSE EXISTS FOR EXPEDITED RELIEF.**

The Debtors request expedited relief on the Motion. Local Rule 9006-1(b) provides that "moving documents shall be filed and served . . . not later than fourteen days before the hearing date." Local Rule 9006-1(e), however, provides that a court may reduce notice for cause. Cause exists here to grant the motion on an expedited basis. Decisions about joint administration should be made as early in a case as possible, so that parties-in-interest will know how the case is

to be administered, to minimize unnecessary expense, and to avoid confusion. In addition, given that a matrix must be filed within 14 days of the Filing Date, the Debtors need an expedited determination regarding their request to file a consolidated matrix. Finally, there are a number of other motions pending in the cases, and allowing joint administration will ease the entry of these Debtors into Chapter 11.

## **II. JOINT ADMINISTRATION OF THE DEBTORS' CASES IS APPROPRIATE.**

Joint administration of related cases is governed by Bankruptcy Rule 1015(b). That Rule provides:

If a joint petition or two or more petitions are pending in the same court by or against...a debtor and an affiliate, the court may order a joint administration of the estates. Prior to entering an order the court shall give consideration to protecting creditors of different estates against potential conflicts of interest.

Joint administration is merely procedural. Each of the Debtors' estates remains a separate legal entity and each creditor's individual rights as to each estate are preserved. In re N.S. Garrott & Sons, 63 B.R. 189, 191 (Bankr. E.D. Ark. 1986); In re Arnold, 33 B.R. 765,767 (Bankr. E.D. N.Y. 1983).

In these cases, joint administration is appropriate and should be ordered to facilitate the efficient administration of the cases. The Debtors will be acting in unity to undertake significant and identical actions in the cases, including negotiating and entering into a credit facility and pursuing a common sale procedure for their assets. The Debtors are affiliates (as that term is defined in 11 U.S.C. § 101(2)), and share key decision-makers and many senior-level officers.

Joint administration will not inadvertently lead to substantive consolidation, nor will creditors be prejudiced by joint administration of these cases. Though the Debtors expect to seek substantive consolidation soon after these cases are filed, they do not seek that relief as an initial matter, and would request such relief through a separate motion after parties-in-interest have

time to get oriented in these cases. In the meantime, significant administrative cost will be saved by jointly administering the cases.

Finally, the Debtors' request to file a single, consolidated matrix and to have all claims filed in the main case should be granted. While Local Rule 1007-2 requires each debtor to file a list of creditors, Local Rule 9029-1(b) provides that, for good cause, "the court may suspend the requirements or provisions of any local rule and may order proceedings in accordance with its direction." In light of the practical difficulties, potential inaccuracies, and time and estate resources that would be required for the Debtors to attempt to separate out their creditors, good cause exists to proceed with one consolidated matrix and with claims filed in one case. Consolidating the matrix and sending one notice of case commencement that addresses both Debtors will ensure that creditors (who may be creditors of one or both Debtors) have notice of both cases. If the matrices were not consolidated into one and separate case notices were sent, it is more likely that an error in attributing a creditor could result in the creditor receiving the wrong case notice. In sum, good cause exists to proceed with one consolidated matrix and one claims register.

**CONCLUSION**

For the foregoing reasons, the Debtors respectfully request that the Court grant the relief requested in the Motion.

Dated: March 10, 2017

*/e/ Sarah M. Olson*

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Clinton E. Cutler (#0158094)  
Cynthia A. Moyer (#0211229)  
Ryan T. Murphy (#0311972)  
James C. Brand (#387362)  
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Steven R. Kinsella (#0392289)  
**FREDRIKSON & BYRON, P.A.**  
200 South Sixth Street, Suite 4000  
Minneapolis, MN 55402-1425  
Telephone: 612.492.7000  
ccutler@fredlaw.com  
cmoyer@fredlaw.com  
rmurphy@fredlaw.com  
jbrand@fredlaw.com  
solson@fredlaw.com  
skinsella@fredlaw.com

**PROPOSED ATTORNEYS FOR DEBTORS**

60784709

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MINNESOTA**

In re:	Jointly Administered Under Case No. 17-30673 (MER)
Gander Mountain Company, Overton's, Inc.,	Case No. 17-30673 Case No. 17-30675
Debtors.	Chapter 11 Cases

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**ORDER GRANTING EXPEDITED RELIEF AND AUTHORIZING  
JOINT ADMINISTRATION OF CASES**

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This case came before the court on the debtors' Motion for Order Granting Expedited Relief and Authorizing Joint Administration of Cases (the "Motion"). Based on the Motion and all of the files, records and proceedings in the case,

**IT IS ORDERED:**

1. The Motion is granted, including the request for expedited relief.
2. Pursuant to Bankruptcy Rule 1015(b), the above-captioned chapter 11 cases are consolidated for procedural purposes only and shall be jointly administered by the Court under Case No. 13-30673.
3. All further documents shall be captioned in a fashion identical to the caption of this order.
4. Unless and until otherwise ordered by the Court, all filings following entry of this order shall be made only in Case No. 13-30673.
5. Unless and until otherwise ordered by the Court, all proofs of claim against either debtor shall be filed in Case No. 13-30673.

6. The debtors are authorized to file a single, consolidated matrix, to be filed in Case No. 13-30673.

7. To the extent that a committee of unsecured creditors is appointed in the future, one committee may be appointed for both of the cases.

8. Nothing in this order shall be construed to effect a substantive consolidation of these cases, and these cases shall not be substantively consolidated without further order of the Court.

9. This order is effective immediately upon entry and the Clerk of Bankruptcy Court shall enter this order on the docket of both of the above chapter 11 cases. In addition, a docket entry shall be made in the case of Overton's, Inc. substantially as follows:

An Order has been entered in this case in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the joint administration of the chapter 11 cases of Gander Mountain Company and Overton's, Inc. The docket in Case No. 13-30673 should be consulted for all matters affecting this case, and all further filings should be made only in that case.

Dated:

\_\_\_\_\_  
United States Bankruptcy Judge