

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

---

In re:

Gander Mountain Company,

Case No.: 17-30673

Chapter 11 Case

Debtor.

---

In re:

Overton's, Inc.,

Case No.: 17-30675

Chapter 11 Case

Debtor.

---

**NOTICE OF HEARING AND MOTION FOR EXPEDITED RELIEF AND FOR AN  
ORDER AUTHORIZING MAINTENANCE OF THE DEBTORS' EXISTING CASH  
MANAGEMENT SYSTEM, BANK ACCOUNTS AND CHECK STOCK**

---

TO: The Office of the United States Trustee and Other Parties in Interest as Specified in Local Rule 9013.

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 No. 8 West, United States Courthouse, 300 South Fourth Street, Minneapolis, Minnesota.

3. Local Rule 9006-1(b) 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 before 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 in this Court.

5. This motion arises under sections 105(a), 365(b), 1107 and 1108 of the Bankruptcy Code. This motion is filed under Bankruptcy Rules 6004 and 9014 and Local Rules 9013-1 through 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 2002(a) and Local Rules 9013-3 and 2002-1(b). To avoid immediate and irreparable harm, the Debtors request an order authorizing them to continue using their existing cash management system, bank accounts and check stock.

**BACKGROUND**

6. On the Filing Date, the Debtors filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Debtors have continued in possession of their respective assets and the management of their business as debtors-in-possession pursuant to Section 1107(a) and 1108 of the Bankruptcy Code.

7. Further general information about the Debtors’ and this case is set forth in the Declaration of Timothy G. Becker in Support of Chapter 11 Petitions 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.

**BACKGROUND RELEVANT TO THE  
MOTION AND RELIEF RFEQUESTED**

8. The United States Trustee has established operating guidelines for debtors in possession who operate their business in chapter 11. One such provision requires a debtor in possession to open new bank accounts and to close all existing bank accounts. This requirement, designed to provide a clear demarcation between pre- and post-petition claims and payments, helps protect against the inadvertent payment of pre-petition claims by preventing banks from honoring checks drawn before the Filing Date.

9. Before the Filing Date, the Debtors in the ordinary course of business maintained 180 active operating accounts, as listed on Exhibit A attached hereto (collective, the “Bank Accounts”). The flow of funds through the Bank Accounts is illustrated on the chart attached as Exhibit B, though accounts with little activity are not included.

10. What follows is an explanation of the bank accounts and the flow of funds through the Debtors’ accounts.

11. Main Deposit Account. The Debtors maintain a deposit account at Wells Fargo (the “Main Deposit Account”), which receives deposits from store operations and which is linked to the Wells Fargo Revolving Credit Facility.<sup>1</sup> The Main Deposit Account does not segregate the funds belonging to each Debtor. Instead, this is accomplished by the Debtors’ accounting

---

<sup>1</sup> The Wells Fargo Revolving Credit Facility is fully described in the Debtors’ Motion for Interim and Final Orders (I) Granting Expedited Relief; (II) Approving Postpetition Financing; (III) Authorizing Use of Cash Collateral; (IV) Granting Liens and Providing Superpriority Administrative Expense Status; (V) Granting Adequate Protection; (VI) Modifying Automatic Stay; (VII) Granting Related Relief; and (VIII) Scheduling a Final Hearing.

system, which maintains entries on the books and records to track receipts and payments attributable to each of the Debtors. These book and bank balances are monitored on a daily basis and reconciled monthly.

12. Store-Specific Deposit Accounts. Debtor Gander Mountain Company operates 164 stores and Debtor Overton's, Inc. operates two stores. Each store has its own deposit account. Those specific accounts and how they relate to the Main Deposit Account are described below.

13. One Gander Mountain store has its deposit account at U.S. Bank, N.A. ("U.S. Bank"). When the balance in this account reaches approximately \$25,000, it is ACH transferred to the Main Deposit Account at Wells Fargo. On average, an ACH transfer to the Main Deposit Account occurs weekly.

14. In addition, 54 stores and Debtor Overton's, Inc. have their individual deposit accounts at Bank of America, N.A. ("BoA").<sup>2</sup> Debtor Gander Mountain Company also maintains a depository account at BOA for credit card settlement charges. The funds in the BoA individual store deposit accounts are swept daily into a BoA umbrella deposit account.

15. The remaining 111 stores have their individual deposit accounts at Wells Fargo Bank, National Association ("Wells Fargo"). The funds in the Wells Fargo individual store deposit accounts are swept daily into a Wells Fargo umbrella deposit account. The funds in the Wells Fargo umbrella account are internally transferred daily to the Main Deposit Account at Wells Fargo.

---

<sup>2</sup> Until relatively recently, Debtor Overton's Inc. was known as Gander Mountain Direct, Inc., and the accounts for Debtor Overton's, Inc. are still in the name of Gander Mountain Direct, Inc.

16. Funds in the Wells Fargo Main Deposit Account are then internally transferred on a daily basis to the Wells Fargo Revolving Credit Facility and the funds in the BoA umbrella account are transferred daily by wire transfer to the Wells Fargo Revolving Credit Facility.

17. Operating Accounts. The Debtors maintain Operating Accounts at U.S. Bank, BoA and Wells Fargo. The Operating Accounts are funded pursuant to loan requests on the Wells Fargo Credit Facility. The Operating Accounts are used to pay vendors, store level operating expenses, license fee sales and corporate expenses including payroll. The Debtors' payroll service firm ADP has access to the Wells Fargo Operating Account to withdraw and disburse direct deposit paychecks and withholding amounts. Some state license fee payments and state sales tax payments are automatically drafted out of the Wells Fargo Operating Account. And some state tax payments are drafted out of the BoA Operating Account for Debtor Overton's, Inc.

18. Other Specific Accounts. The Debtors also maintain other accounts at Wells Fargo, BoA and U.S. Bank as follows, each of which are funded by transferring funds from the respective Operating Account:

- a. Wells Fargo Accounts Payable Account. The Debtors use this account for all stores to pay general expenses. This includes but is not limited to inventory purchases (for both Debtors), SG&A expenses and license fee sales remittances. Approximately 4,000 checks are issued on this account each month.
- b. Wells Fargo MN DNR Account. This account is used to fund purchases of Minnesota hunting, fishing and other licenses that are sold at any of the stores.<sup>3</sup> Funding of this account is from the Wells Fargo Operating Account on an as-needed basis.

---

<sup>3</sup> The Minnesota Department of Natural Resources requires that license purchases be made from an account specifically designated and used only for that purpose.

- c. Wells Fargo Purchase Account. This account is funded only when specific one-time purchases are made, such as used firearms. Funding of this account is from the Operating Account on an as-needed basis.
- d. BoA Gander Mountain Retail Disbursements. This account is used to make check payments for gunsmith parts. Funding of this account is from the BoA Operating Account on an as-needed basis.
- e. BoA Overton's Operating Account. This account is used by Debtor Overton's to fund payroll and sales tax payments. Funding of this account is from the Operating Account on an as-needed basis.
- f. BoA Overton's Refund Account. This account is used by Debtor Overton's to fund customer refunds. Funding of this account is from the Operating Account on an as-needed basis.
- g. Lake Central Bank. This account is used by both Debtors to fund customer rebates. Funding of this account is from the Wells Fargo credit facility on an as-needed basis.

#### **RELIEF REQUESTED**

19. By this Motion, the Debtors request that the United States Trustee requirement to close all the Bank Accounts and open new postpetition bank accounts be waived. If enforced in this case, this requirement will cause enormous disruption to the Debtors' businesses and would impair the Debtors' going concern values. If ADP, Blue Cross Blue Shield, Delta Dental and others (including state taxing authorities and various state Departments of Natural Resources and Game and Fishing Commissions, and U.S. Customs) cannot access the Bank Accounts to fund payroll or employee benefits, employee morale will suffer and the Debtors may lose employees. Moreover, the Debtors may need immediate access to funds to pay vendors cash for deliveries which a change in bank accounts would delay. It is imperative to the Debtors' successful operation that suppliers, employees, and critical vendors receive timely and uninterrupted payments. Moreover, the Debtors believe that each of their banks is on the U.S. Trustee's list of pre-approved financial institutions for purposes of compliance with 11 U.S.C. § 345(b), with the

possible exception of Lake Central Bank, which maintains a deposit balance below the FDIC deposit insurance limit and so is in compliance with section 345(b) of the Bankruptcy Code.

20. In addition, maintenance of the Bank Accounts would greatly facilitate the Debtors' transition to postpetition operations. To avoid delays in payment of debts incurred postpetition and to ensure as smooth a transition into chapter 11 as possible, the Debtors should be permitted to continue to maintain the existing Bank Accounts and, if necessary, to open new accounts. Otherwise, the transfer of the Bank Accounts will be tremendously disruptive and needlessly time consuming.

21. Debtors have taken steps to stop payment on all prepetition debt paid by checks which have not cleared the Bank Accounts. Additionally, the Debtors are reviewing their books and records to identify payments made without authorization. To the extent necessary, the Debtors will commence actions against those parties receiving payments inadvertently under Section 549 of the Bankruptcy Code or may seek additional relief from the court.

22. The United States Trustee's concerns of creating a clear line of demarcation between pre and postpetition obligations can be addressed in these cases without the necessity of closing the Bank Accounts. The Debtors print most of their own checks and will create a conspicuous gap in the numbering sequence so that they and their banks can easily discern prepetition checks from those issued postpetition. For those that they do not print themselves, the Debtors will stamp any existing checks with "Debtor in Possession" and the Bankruptcy Case Number. Additionally, the next time the Debtors order checks, they will request to have them printed Debtor in Possession and the Bankruptcy Case Number.

23. Subject to a prohibition against honoring prepetition checks without specific authorization of this Court, the Debtors request that the Bank Accounts be deemed debtor in possession accounts and that the Debtors be authorized to maintain and continue the use of these accounts in the same manner and with the same account numbers, styles, and forms as those employed prepetition.

24. In addition, the Debtors are party to an agreement with Wells Fargo whereby approximately 305 employees of the Debtors use Wells Fargo-issued corporate VISA cards authorized under the WellsOne Commercial Card Agreement, dated on or around February 9, 2012 (as amended, restated, supplemented or otherwise modified from time to time). Wells Fargo is authorized to make advances from time to time to the Debtors with a maximum exposure of \$500,000. The Debtors estimate that the prepetition balance under the WellsOne Commercial Card Agreement is \$215,000. This amount is owed to Wells Fargo and is secured through the Wells Fargo prepetition ABL Revolving Credit Facility. To ease their transition into bankruptcy, the Debtors request authorization to pay the prepetition amount and continue to use the corporate VISA cards subject to same terms and conditions with Wells Fargo as those employed prepetition.

25. In addition, the Debtors are parties to merchant agreements (the “Merchant Services Agreements”) with Bank of America Merchant Services, LLC, American Express Travel Related Services Company, Inc., Alliance Data, and Chase Paymentech (the “Credit Card Processors”). Pursuant to the Merchant Services Agreements, the Credit Card Processors perform payment processing and related services. In the ordinary course of business, the Debtors receive returns and experience chargebacks for which they are required to reimburse the Credit



Card Processors, which are protected by a right of setoff. By this Motion, the Debtors also seek permission to continue to operate under the Merchant Services Agreements, including, where required under the Merchant Services Agreements, to reimburse the Credit Card Processors for returns and chargebacks, whether prepetition or postpetition, and to make deposits with the Credit Card Processors to the extent provided for under the Merchant Services Agreements.

26. If the relief requested herein is granted, and except as disclosed above, the Debtors will not pay, and each of the banks where the Bank Accounts are maintained will be directed not to pay, any checks drawn on the Bank Accounts prepetition other than as specifically authorized by this Court.

#### **EXPEDITED RELIEF**

27. The Debtors request expedited relief on this motion. Previously and concurrently herewith the Debtors have scheduled and served a number of initial motions designed to facilitate an orderly transition to chapter 11. The granting of this motion on an expedited basis will minimize the disruptions to the Debtors' accounting system, enable the Debtors to continue to make and generate timely accounting information, and most importantly allow the Debtors to meet obligations to employees and vendors without further interruption.

28. Pursuant to Local Rule 9013-2, this motion is verified and is accompanied by a Memorandum of Law, proposed order and proof of service.

29. Pursuant to Local Rule 9013-2, 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.

WHEREFORE, the Debtors respectfully move the Court for an order

- A. granting expedited relief;
- B. authorizing maintenance of the Debtors' existing Cash Management System and existing Bank Accounts;
- C. authorizing financial institutions to honor and process related checks and transfers; and
- D. granting such other and further relief as the Court may deem just and equitable.

Dated: March 10, 2017

*/e/ Cynthia A. Moyer*

---

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

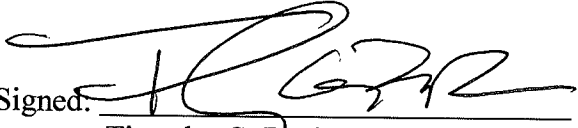
skinsella@fredlaw.com

**PROPOSED ATTORNEYS FOR DEBTORS**

**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

**Exhibit A**  
**List of Bank Accounts**

**EXHIBIT A**

Bank Accounts

<b>Debtor</b>	<b>Financial Institution</b>	<b>Acct Type</b>	<b>Account Description</b>
Gander Mountain Company	U.S. Bank 9633 Lyndale Avenue South Bloomington, MN 55420	Control Account	xxxxxxxx8460
Gander Mountain Company	U.S. Bank 9633 Lyndale Avenue South Bloomington, MN 55420	Store Depository	xxxxxxxx4790
Gander Mountain Company	Bank of America 80 S. 8th St. Suite 3500 Minneapolis, MN 55402	Operating	xxxxxx6545
Gander Mountain Company	Bank of America 80 S. 8th St. Suite 3500 Minneapolis, MN 55402	Retail	xxxxxx7453
Gander Mountain Company	Bank of America 80 S. 8th St. Suite 3500 Minneapolis, MN 55402	Depository	xxxxxx7437
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7440
Gander Mountain Company	Bank of America	Store Depository	xxxxxx5786
Gander Mountain Company	Bank of America	Store Depository	xxxxxx5809
Gander Mountain Company	Bank of America	Store Depository	xxxxxx5812
Gander Mountain Company	Bank of America	Store Depository	xxxxxx5799
Gander Mountain Company	Bank of America	Store Depository	xxxxxx5825
Gander Mountain Company	Bank of America	Store Depository	xxxxxx9259
Gander Mountain Company	Bank of America	Store Depository	xxxxxx5838
Gander Mountain Company	Bank of America	Store Depository	xxxxxx5841
Gander Mountain Company	Bank of America	Store Depository	xxxxxx5854
Gander Mountain Company	Bank of America	Store Depository	xxxxxx5867
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7453
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7466
Gander Mountain Company	Bank of America	Store Depository	xxxxxx3552

<b>Debtor</b>	<b>Financial Institution</b>	<b>Acct Type</b>	<b>Account Description</b>
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7479
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7482
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7505
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7518
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7521
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7534
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7547
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7550
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7563
Gander Mountain Company	Bank of America	Store Depository	xxxxxx3076
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7576
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7589
Gander Mountain Company	Bank of America	Store Depository	xxxxxx5870
Gander Mountain Company	Bank of America	Store Depository	xxxxxx5883
Gander Mountain Company	Bank of America	Store Depository	xxxxxx8587
Gander Mountain Company	Bank of America	Store Depository	xxxxxx5896
Gander Mountain Company	Bank of America	Store Depository	xxxxxx8641
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7592
Gander Mountain Company	Bank of America	Store Depository	xxxxxx8638
Gander Mountain Company	Bank of America	Store Depository	xxxxxx9293
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7602
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7615
Gander Mountain Company	Bank of America	Store Depository	xxxxxx8654
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7628

<b>Debtor</b>	<b>Financial Institution</b>	<b>Acct Type</b>	<b>Account Description</b>
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7631
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7644
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7657
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7673
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7686
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7699
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7709
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7712
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7725
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7738
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7741
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7754
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7767
Gander Mountain Company	Bank of America	Store Depository	xxxxxx7783
Gander Mountain Company	Bank of America	Store Depository	xxxxxx1443
Gander Mountain Company	Bank of America	Store Depository	xxxxxx6406
Gander Mountain Company	Lake Central Bank 40 Chestnut St. W P.O. Box 310 Annandale, MN 55302-0310	Rebates	xxx1567
Gander Mountain Company	Wells Fargo 670 McKnight Rd N Suite 402 St. Paul, MN 55119	Operating	xxxxxx5941
Gander Mountain Company	Wells Fargo 670 McKnight Rd N Suite 402 St. Paul, MN 55119	Corporate Depository	xxxxxx5958
Gander Mountain Company	Wells Fargo 670 McKnight Rd N Suite 402 St. Paul, MN 55119	MN DNR	xxxxxx5527
Gander Mountain Company	Wells Fargo 670 McKnight Rd N Suite 402 St. Paul, MN 55119	Purchase	xxxxxx8622



<b>Debtor</b>	<b>Financial Institution</b>	<b>Acct Type</b>	<b>Account Description</b>
Gander Mountain Company	Wells Fargo 670 McKnight Rd N Suite 402 St. Paul, MN 55119	Pay	xxxxxx0573
Gander Mountain Company	Wells Fargo 670 McKnight Rd N Suite 402 St. Paul, MN 55119	Master Store Depository	xxxxxx5535
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2897
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2905
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2913
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1271
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1289
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2921
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2939
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1297
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2947
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1305
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2954
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1313
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1321
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2962
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3028
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3002
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2715
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3010
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3135
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2723
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2731

<b>Debtor</b>	<b>Financial Institution</b>	<b>Acct Type</b>	<b>Account Description</b>
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2749
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2756
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3036
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3044
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2764
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2673
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2681
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2772
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2780
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2798
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3085
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3093
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3051
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3069
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2699
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2707
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2337
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2163
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3077
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx9744
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx9777
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2329
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx7524
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2806

<b>Debtor</b>	<b>Financial Institution</b>	<b>Acct Type</b>	<b>Account Description</b>
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2814
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2822
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx7516
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2345
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx0120
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3101
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3900
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx4158
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3934
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2148
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3119
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx0112
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3057
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2189
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx9396
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2155
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3040
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx4141
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx4117
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1850
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3942
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx0146
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3959
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2311

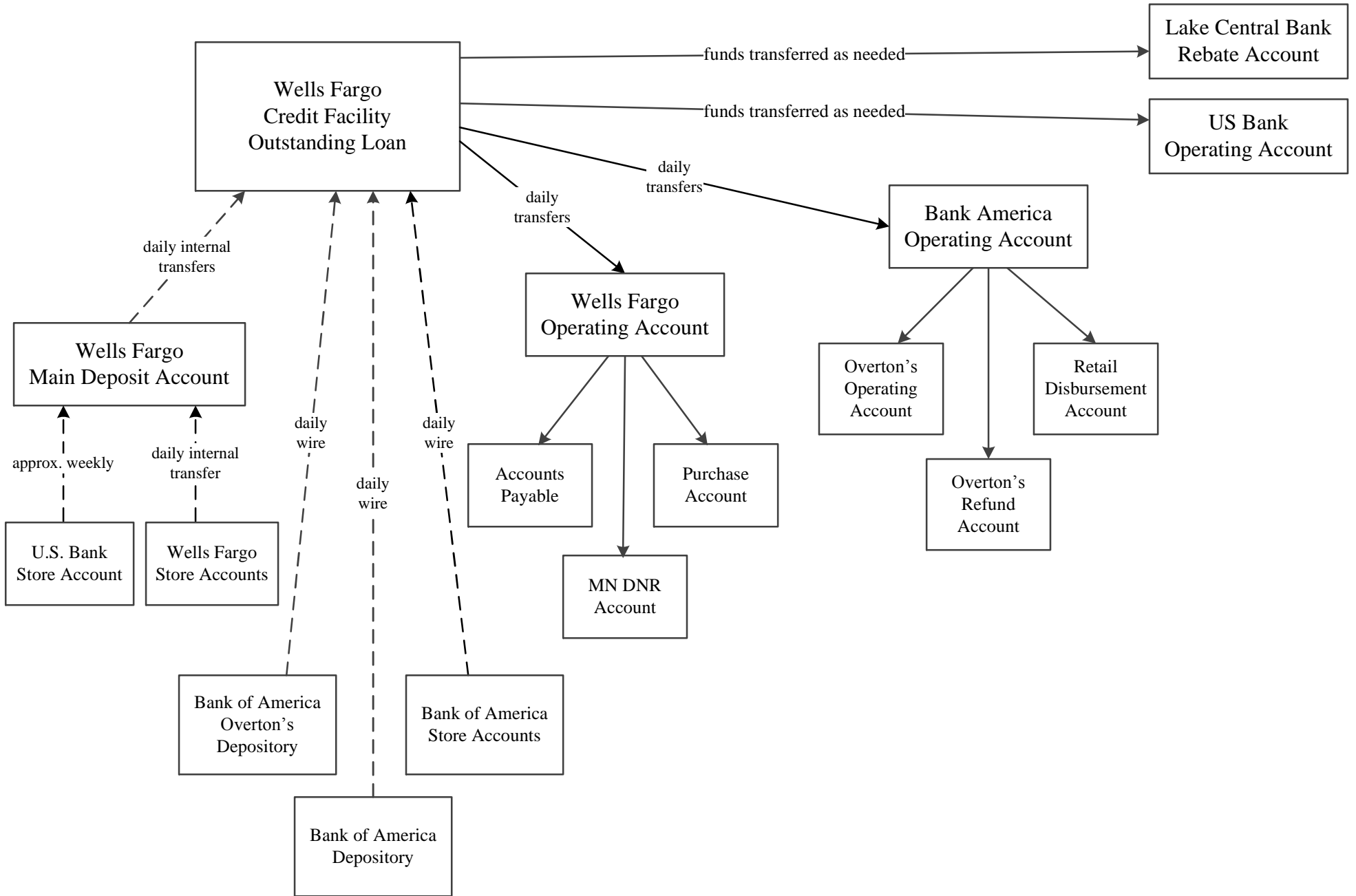
<b>Debtor</b>	<b>Financial Institution</b>	<b>Acct Type</b>	<b>Account Description</b>
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1438
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx4125
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx9370
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1446
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1339
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx7532
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx9785
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx0138
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2830
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2848
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2855
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2863
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2871
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx8722
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2889
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3127
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx7789
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx8730
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx8748
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx8755
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx4255
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2171
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx3065
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx9388

<b>Debtor</b>	<b>Financial Institution</b>	<b>Acct Type</b>	<b>Account Description</b>
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1354
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1347
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx9588
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx9596
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx9604
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1362
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1453
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1370
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx2996
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1388
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1461
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1396
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1404
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1412
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1420
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1479
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1203
Gander Mountain Company	Wells Fargo	Store Depository	xxxxxx1211
Overton's Inc.	Bank of America 80 S. 8th St. Suite 3500 Minneapolis, MN 55402	Depository	xxxxxx2725
Overton's Inc.	Bank of America 80 S. 8th St. Suite 3500 Minneapolis, MN 55402	Operating	xxxxxx2741
Overton's Inc.	Bank of America 80 S. 8th St. Suite 3500 Minneapolis, MN 55402	Refund Disbursement	xxxxxx7859

**Exhibit B**  
**Cash Management System Diagram**

**Exhibit B**

**Cash Management System Diagram**



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

---

In re:

Gander Mountain Company,

Case No.: 17-30673

Chapter 11 Case

Debtor.

---

In re:

Overton's, Inc.,

Case No.: 17-30675

Chapter 11 Case

Debtor.

---

**MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR AN ORDER  
(I) GRANTING AN EXPEDITED HEARING, (II) AUTHORIZING MAINTENANCE OF  
THE DEBTORS' EXISTING CASH MANAGEMENT SYSTEM, EXISTING BANK  
ACCOUNTS AND CHECK STOCK AND (III) AUTHORIZING FINANCIAL  
INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS**

---

Gander Mountain Company and Overton's, Inc. (together the "Debtors") submit this memorandum of law in support of the motion submitted herewith (the "Motion") in accordance with Local Rule 9013-2(a). The Debtors seek the entry of an order substantially in the form filed herewith (i) granting an expedited hearing, (ii) authorizing, but not requiring, the Debtors, to maintain the Debtors' existing Cash Management System, existing Bank Accounts and check stock after the Filing Date and (iii) authorizing applicable banks and other financial institutions to receive, process, honor and pay related checks or electronic transfers used by the Debtors. This relief will avoid delays in payment of postpetition obligations and ensure as smooth a transition as possible into chapter 11; therefore, the Court should grant the relief sought.



## **BACKGROUND**

The supporting facts are set forth in the verified Motion. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Motion.

## **LEGAL ANALYSIS**

### **I. THE DEBTORS' REQUEST FOR EXPEDITED RELIEF SHOULD BE GRANTED.**

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 the notice for cause. Cause exists here to reduce notice of the hearing on this Motion. The relief sought herein is designed to ease the Debtors’ transition into chapter 11 and minimize disruptions to Debtors’ business operations. It will also enable the Debtors to continue to generate timely accounting information and to meet obligations to employees and vendors without unnecessary interruptions. Given the Debtors’ critical need to continue their operations uninterrupted, the Court should reduce the notice of the hearing on this Motion.

### **II. THE DEBTORS SHOULD BE AUTHORIZED TO MAINTAIN THEIR EXISTING CASH MANAGEMENT SYSTEM.**

The Courts have the authority to waive the strict enforcement of bank account closing requirements imposed pursuant to the guidelines adopted by the office of the United States Trustee. Such relief is routinely granted. *See, e.g., In re Intrepid U.S.A., Inc.*, Case No. 04-40416 (Bankr. D. Minn. Mar. 24, 2004); *In re UAL Corporation*, Case No. 02-48191 (Bankr. N.D. Ill. Dec. 9, 2002); *In re National Steel Corp.*, Case No. 02-08699 (Bankr. N.D. Ill. March 6, 2002).

As detailed in the Motion, continued use of the existing cash management system, bank accounts, and existing check stock is important to ensure a smooth transition into Chapter 11 and to aid in the Debtors' efforts to maintain the value of the businesses. Requiring the Debtors to open new bank accounts at this early and critical stage of the Chapter 11 cases would be administratively difficult and disruptive to the Debtors' operations. It could also disrupt the Debtors' relationships with employees and vendors. Consequently, maintenance of the existing Bank Accounts and check stock is not only essential, but is in the best interest of all creditors and other parties in interest in these cases.

If granted the relief requested, the Debtors will not pay, and their banks will be directed not to pay, any prepetition checks except as allowed by order of the Court. The Debtors can identify those checks that should not be paid and will supply such a list to its banks. In addition, the Debtors print their own checks and will create a conspicuous gap in the numbering sequence of the checks so that they and their banks can easily discern prepetition checks from those issued postpetition. By this manner, the United States Trustee's concern regarding a clear demarcation between pre- and postpetition payments can be enforced.

**CONCLUSION**

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

Dated: March 10, 2017

*/e/ Cynthia A. Moyer*

---

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  
jbrand@fredlaw.com  
solson@fredlaw.com  
skinsella@fredlaw.com

**PROPOSED ATTORNEYS FOR DEBTORS**

60897116\_1.docx

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

---

In re:

Gander Mountain Company,

Case No.: 17-30673

Chapter 11 Case

Debtor.

---

In re:

Overton's, Inc.,

Case No.: 17-30675

Chapter 11 Case

Debtor.

---

**ORDER (I) GRANTING AN EXPEDITED HEARING, (II) AUTHORIZING  
MAINTENANCE OF THE DEBTORS' EXISTING CASH MANAGEMENT  
SYSTEM, EXISTING BANK ACCOUNTS AND CHECK STOCK  
(III) AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR  
AND PROCESS RELATED CHECKS AND TRANSFERS**

---

These cases came before the court on the debtors' Motion for an Order (I) Granting Expedited Relief and (II) Authorizing Maintenance of Existing Cash Management System, Bank Accounts and Check Stock (the "Motion"). Capitalized terms not defined in this order have the meanings ascribed to them in the Motion. Based on the Motion, all the files, records and proceedings herein,

IT IS HEREBY ORDERED:

1. The Motion, including the request for expedited relief, is hereby granted.

2. The debtors are authorized to designate, maintain, and continue to use, with the same account numbers, the Bank Accounts, as identified on Exhibit A to the Motion.<sup>1</sup>

3. The debtors are authorized to continue to maintain, operate and make transfers under their Cash Management System, as defined in the motion.

4. The debtors are authorized to use, in their present form, checks, credit cards, and other documents related to the Bank Accounts; provided, however, that the debtors shall ensure that their checks state “Debtor-in-Possession” either by stamp or printed on the checks in accordance with the requirements of the office of the United States Trustee. The debtors are authorized to treat the Bank Accounts for all purposes as accounts of the debtors as debtors-in-possession.

5. The debtors are authorized but not directed to continue to operate under the Merchant Services Agreements, including, where required under the Merchant Services Agreements, to reimburse the Credit Card Processors for returns and chargebacks, whether prepetition or postpetition, and to make deposits with the Credit Card Processors to the extent provided for under the Merchant Services Agreements.

6. Each of the debtors’ Banks is authorized to debit the debtors’ accounts in the ordinary course of business without the need for further order of this Court for: (i) all checks drawn on the debtors’ accounts prior to the Filing Date which are cashed at such Bank’s counters or exchanged for cashier’s checks by the payees thereof so long as a debtor has not given a specific instruction to stop payment on the check in question; (ii) all checks or other items deposited in one of debtors’ accounts with such Bank prior to the Commencement Date which

---

<sup>1</sup> Some Bank Accounts identified in the Motion are in the name of Gander Mountain Direct, Inc., which until relatively recently was the name of Debtor Overton’s Inc. This Order governs those Bank Accounts as well.

have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the debtors were responsible for such items prior to the Commencement Date; and (iii) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System;

7. The debtors' Banks may rely on the representations of the debtors with respect to whether any check or other payment order drawn or issued by the debtors prior to the Commencement Date should be honored pursuant to this or any other order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the debtors as provided for herein;

8. The existing deposit agreements including Deposit Account Control Agreements between the debtors and its existing depository and disbursement banks (collectively, the "Banks") shall continue to govern the postpetition cash management relationship between the debtors and the Banks, and all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect, and either the debtors or the Banks may, without further Order of this Court, implement changes to the cash management systems and procedures in the ordinary course of business pursuant to terms of those certain existing deposit agreements, including, without limitation, the opening and closing of bank accounts; provided, however, that the Debtors shall provide notice to the Prepetition ABL Agent, the Prepetition Term Loan Agent, and the DIP Agent prior to implementing any such changes;

9. The debtors are authorized to continue to use the commercial card program under the WellsOne Commercial Card Agreement, dated on or around February 9, 2012 (as amended,

restated, supplemented or otherwise modified from time to time, the “Card Agreement”), between debtors and Wells Fargo Bank, National Association (“Wells Fargo”) subject to the terms and conditions thereof and to continue to provide existing security for the commercial card program. Wells Fargo is authorized to make advances from time to time to debtors with a maximum exposure at any time up to \$500,000. All prepetition charges and fees are authorized and required to be paid;

10. Wells Fargo may rely on the representations of debtors with respect to its use of the commercial card program pursuant to the Card Agreement, and Wells Fargo shall not have any liability to any party for relying on such representations by debtors as provided for herein.

11. Notwithstanding anything to the contrary contained herein, any payment made or to be made under this Order, any authorization contained in this Order, or any claim for which payment is authorized hereunder, shall be subject to any orders of this Court approving any debtor in possession financing for, or any use of cash collateral by, the Debtors, and any documents providing for such debtor in possession financing and the Budget governing such debtor in possession financing and use of cash collateral.

Dated:

---

Robert J. Kressel  
United States Bankruptcy Judge