

**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

**NOTICE OF HEARING AND THIRD FEE APPLICATION FOR ALLOWANCE OF
FEES AND EXPENSES FOR DEBTORS' INVESTMENT BANKER
AND FINANCIAL ADVISOR MAY 1, 2017 THROUGH MAY 25, 2017
(HOULIHAN LOKEY CAPITAL, INC.)**

TO: The United States Trustee and other parties in interest specified in Local Rule 9013-3.

1. Houlihan Lokey Capital, Inc. ("Houlihan") makes this Application for allowance of professional fees and reimbursement of expenses for services performed as financial advisor and investment banker to the Debtors, and gives notice of hearing herewith.

2. The Court will hold a hearing on this Application at **1:30 p.m. on July 5, 2017** or as soon thereafter as counsel may be heard, in **Courtroom 7 West, United States Courthouse, 300 South Fourth Street, Minneapolis, Minnesota.**

3. Any response to this Application must be filed and served not later than **June 30, 2017**, which is five days before the time for the hearing (including Saturdays, Sundays and holidays). **UNLESS A RESPONSE OPPOSING THE APPLICATION IS TIMELY FILED, THE COURT MAY ALLOW THE APPLICATION WITHOUT A HEARING.**

4. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334, Bankruptcy Rule 5005, and Local Rule 1070-1. This Application is filed under Bankruptcy Rule 2016 and Local Rule 2016-1. This Application arises under 11 U.S.C. §§ 328(a), 330, and

331. Houlihan requests allowance of compensation for professional services rendered and for reimbursement of expenses. This is a core proceeding. The petitions commencing these bankruptcy cases were filed on March 10, 2017 (the “Filing Date”).

5. Local Rule 2002-1(b)(2) requires applications for compensation to be served on the Debtors’ creditor matrix. However, Local Rule 9029-1 provides authority for the Court to suspend the requirements of a Local Rule for good cause. In the Court’s Order Allowing Fees and Expenses of Houlihan Lokey Capital, Inc. [Docket No. 895], the Court waived the service requirements of Local Rule 2002-1(b)(2) for all future applications for compensation. Consequently, this Application has been served on the master service list parties set forth in Local Rule 9013-3(a)(2). Houlihan requests allowance of compensation for professional services rendered and payment of a success fee in connection with debt restructuring closing.

6. By Order entered April 3, 2017, the Court authorized the Debtors to employ Houlihan as investment banker and financial advisor. A copy of that Order is attached as **Exhibit A** [Docket No. 334].

7. This is Houlihan’s third fee application. Houlihan received Court approval for the following prior fee application:

<u>Fee Application Amount</u>	<u>Date of Order Approving Fee Application</u>	<u>Docket Number</u>
\$150,755.79	May 3, 2017	675
\$151,989.51	June 7, 2017	895
\$302,745.30		

8. A summary of past monthly services provided by Houlihan is as follows:

Houlihan was engaged by the Debtors on or about January 26, 2017 (the “Effective Date”) to provide financial advisory and investment banking services by (i) assisting and advising the Debtors in the development, preparation, and distribution of selected information, documents, and other materials in an effort to create interest in and to consummate any sale transactions, including, if appropriate, assisting the Debtors in the preparation of an offering memorandum; (ii) soliciting and evaluating indications of interest and proposals regarding any transaction from current and/or potential equity investors, acquirers, and/or

strategic partners (collectively, “investors”); (iii) assisting the Debtors’ with the development, structuring, negotiation, and implementation of any transactions, including participating as a representative of the Debtors in negotiations with creditors and other parties involved in any transactions; (iv) advising and attending meetings of the Debtors’ Board of Directors, creditor groups, official constituencies, and other interested parties, as the Debtors and Houlihan determine to be necessary or desirable; (v) participating in hearings before the Bankruptcy Court with respect to matters upon which Houlihan provided advice or services, including when relevant, providing testimony in coordination with the Debtors’ counsel; and (vi) providing such other financial advisory and investment banking services as may be agreed upon by Houlihan and the Debtors.

9. Houlihan believes that the Debtors are current in payment of ordinary operating expenses and any allowed administrative expenses, that any quarterly fees have been or will be paid as required to the United States Trustee, and that all monthly operating reports are being timely filed.

10. On May 5, 2017, the Debtors entered into an Agency Agreement with certain liquidating agents and the Court issued an order approving the Agency Agreement [Docket No. 700] (the “Agency Transaction”). Also on May 5, 2017, the Debtors entered into an Asset Purchase Agreement with CWI, Inc. (the “APA”), which the Court also approved [Docket No. 691] (the “Camping World Transaction”). The Camping World Transaction officially closed on May 26, 2017. Pursuant to the terms of the Professional Services Agreement entered into by and between Houlihan and the Debtors, as attached to the application to employ Houlihan [Docket No. 87] and approved by this Court’s order approving Houlihan’s employment (attached as Exhibit A), Houlihan is entitled to a success fee for successfully arranging the Agency Transaction and the Camping World Transaction (collectively, the “Restructuring Transaction Fees”). By this Application, Houlihan seeks allowance of the Restructuring Transaction Fees.

RELIEF REQUESTED

11. Houlihan requests allowance of the transaction fees and expenses totaling \$3,716,535.42, comprised of \$3,000,000 for the Agency Transaction, \$715,000 for the Camping

World Transaction (net of credits),¹ and \$1,535.42 for previously incurred but unreimbursed post-petition expenses. Expenses for this time period are listed on **Exhibit B**.

12. All services for which compensation is requested by Houlihan were performed for and on behalf of the Debtors and not on behalf of any committee, creditor, or other person.

13. The amount requested constitutes reasonable compensation for actual, necessary services rendered by Houlihan, based on the nature, the extent, and the value of such services, the time spent on such services, and the cost of comparable services other than in a case under title 11. Houlihan has not entered into any agreement, express or implied, with any other party-in-interest, including the Debtors, any creditor, receiver, trustee, or any representative of any of them, or with any attorney for such party-in-interest in the proceedings, for the purpose of fixing fees or other compensation to be paid to such party-in-interest in the proceedings for services rendered or expenses incurred from the assets of the estates in excess of the compensation allowed by law.

WHEREFORE, Houlihan respectfully requests that the Court enter an Order:

1. Allowing Houlihan's fees for the Agency Transaction and Camping World Transaction (net of credits) in the amount of **\$3,715,000.00** and reimbursement of expenses in the amount of **\$1,535.42**, for a total of **\$3,716,535.42**.

2. Authorizing the Debtors to pay to Houlihan the unpaid transaction fees and expenses allowed herein after the Debtors have paid in full in cash all DIP Obligations and Prepetition Secured Obligations; and

3. Granting such other relief as the Court deems just and equitable.

¹ Houlihan Lokey is entitled to a gross Restructuring Transaction Fee of \$3,000,000 and a gross Overton's Transaction Fee of \$1,000,000. Twenty-five percent of the Overton's Transaction Fee is subject to credit against the Restructuring Transaction Fee. Houlihan Lokey further agreed to credit one week of its final monthly bill against the Overton's Transaction Fee.

Dated: June 14, 2017

By 
Stephen J. Spencer, Managing Director
HOULIHAN LOKEY CAPITAL, INC.
225 South Sixth Street, Suite 4950
Minneapolis, MN 55402

Preparation assisted by:

/e/ Steven R. Kinsella
Steven R. Kinsella (#0392289)
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ATTORNEYS FOR DEBTORS

61577035.2

VERIFICATION

I, Stephen J. Spencer, a Managing Director of Houlihan Lokey Capital, Inc., declares under penalty of perjury that the foregoing is true and correct according to the best of my knowledge, information and belief.

Dated: June 14, 2017

Signed: 
Stephen J. Spencer

EXHIBIT A

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

**ORDER APPROVING APPLICATION TO EMPLOY
INVESTMENT BANKER AND FINANCIAL ADVISOR
NUNC PRO TUNC TO THE FILING DATE
(HOULIHAN LOKEY CAPITAL INC.)**

This matter is before the court on the application by the above-captioned debtors (the “Debtors”) to employ Houlihan Lokey Capital Inc. (“Houlihan”) in these chapter 11 cases. It appears that it is necessary for the Debtors to employ an investment banker and financial advisor. It appears that the professionals selected by the Debtors do not hold or represent an interest adverse to the estates and that they are disinterested within the meaning of 11 U.S.C. § 327(a).

IT IS ORDERED:

1. The Debtors’ employment of Houlihan as investment banker and financial advisor is approved *nunc pro tunc* to the Filing Date.
2. Notwithstanding anything to the contrary in the Engagement Letter, (i) any Restructuring Transaction Fee, Overton’s Transaction Fee and DIP Financing Transaction Fee to which Houlihan becomes entitled under the terms of the Engagement Letter shall be paid in accordance with any orders of this Court approving any debtor in possession financing for the Debtors, any documents providing for such debtor in possession financing, and the Budget governing such debtor in possession financing, and (ii) in no event shall any Restructuring

Transaction Fee, Overton's Transaction Fee or DIP Financing Transaction Fee be paid to Houlihan before the indefeasible payment in full in cash of all DIP Obligations and Prepetition Secured Obligations.

3. Houlihan is authorized, but not directed, to file fee applications to be heard on 30-day intervals from the date the petitions commencing these bankruptcy cases were filed.

Dated: *April 3, 2017*

/e/ Michael E. Ridgway

Michael E. Ridgway
United States Bankruptcy Judge

NOTICE OF ELECTRONIC ENTRY AND FILING ORDER OR JUDGMENT Filed and Docket Entry made on 04/03/2017 Lori Vosejka, Clerk, by KN
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EXHIBIT B



HOULIHAN LOKEY

Invoice: 28458

PERSONAL & CONFIDENTIAL

June 9, 2017

Gander Mountain Company
180 East Fifth Street, Suite 1300
Saint Paul, MN 55101

Client #: 59084
Case #: 85774

Professional Fees

Restructuring Transaction Fee	\$ 3,000,000.00
Overton's Transaction Fee	1,000,000.00
Less: Monthly Fee Credit	(35,000.00)
Less: Overton's Transaction Fee Credit	<u>(250,000.00)</u>
Professional Fees Due	\$ 3,715,000.00

Out of Pocket Expenses

Ground Transportation	\$ 225.93
Travel and Overtime Meals	785.78
Telephone and Data	520.11
Research	<u>3.60</u>
Out of Pocket Expenses Due	<u>\$ 1,535.42</u>

Amount Due this Invoice **\$ 3,716,535.42**

TOTAL AMOUNT DUE AND PAYABLE **\$ 3,716,535.42**

PAYMENT DUE UPON RECEIPT

Please Send Checks To:
Houlihan Lokey Capital, Inc.
Accounts Receivable Department
10250 Constellation Boulevard, 5th Floor
Los Angeles, CA 90067-6802

Wire Transfer Instructions:
Houlihan Lokey Capital, Inc. General Account
Account No: 1453120593
Bank Name: Bank of America
Wire ABA/Routing No./Bank ID: 026009593
Swift Code (International Wires only): BOFAUS3N
ACH Routing No.: 121000358
Federal ID #95-4024056

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

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

ORDER ALLOWING FEES AND EXPENSES OF HOULIHAN LOKEY CAPITAL, INC.

This matter came before the court on the Third Interim Application for Allowance of Fees and Expenses of Investment Banker and Financial Advisor, May 1, 2017, through May 25, 2017 (Houlihan Lokey Capital, Inc.) (the "Application"). Based on the submissions of applicant, the documents of record, and the court being fully advised in the premises,

IT IS ORDERED:

1. Houlihan Lokey Capital, Inc.'s fees for the Agency Transaction and Camping World Transaction (net of credits), as described more fully in the Application, in the amount of \$3,715,000.00 and expenses incurred between May 1, 2017, and May 25, 2017, in the amount of \$1,535.42, for a total of \$3,716,535.42, are allowed.
2. The Debtors are authorized to pay to Houlihan Lokey Capital, Inc. the fees and expenses allowed in this order provided the Debtors have paid in full in cash all DIP Obligations and Prepetition Secured Obligations, as those terms are defined in the order authorizing the Debtors to enter into debtor in possession financing [Docket No. 443].

Dated:

Michael E. Ridgway
United States Bankruptcy Judge