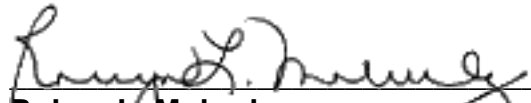


SO ORDERED: March 13, 2017.




Robyn L. Moberly
United States Bankruptcy Judge

**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. 17-01302-11

(Jointly Administered)

**INTERIM ORDER PURSUANT TO SECTIONS 105(a), 363(c), 503(b)(1), 1107(a),
AND 1108 OF THE BANKRUPTCY CODE, AUTHORIZING (I) THE DEBTORS
TO HONOR PREPETITION OBLIGATIONS RELATED TO CUSTOMER
PROGRAMS AND CONSIGNMENT ARRANGEMENTS AND OTHERWISE
CONTINUE CUSTOMER AND CONSIGNMENT ARRANGEMENTS IN THE
ORDINARY COURSE OF BUSINESS AND (II) BANKS TO HONOR AND PROCESS
CHECK AND ELECTRONIC TRANSFER
REQUESTS RELATED THERETO (DOC. NO. 10)**

Upon consideration of the motion (Doc. No. 10) (the "Motion")² hhgregg, Inc. and its above-captioned affiliated debtors and debtors in possession (collectively, the "Debtors") for the entry of an order, (i) authorizing, but not directing, the Debtors, in their business judgment, to

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 Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion

continue, maintain, implement new, and/or terminate any of the Customer Programs or Consignment Arrangements, and to pay, honor, and otherwise satisfy prepetition obligations related to the Customer Programs or Consignment Arrangements in the ordinary course of business and in a manner consistent with past practice, and (ii) authorizing the Banks to honor and process check and electronic transfer requests related to the Customer Programs or Consignment Arrangements; and upon consideration of the Motion and all pleadings related thereto, including the First Day Declaration; and it appearing that the Court has jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** on an interim basis as set forth herein.
2. Except as otherwise provided for in the *Debtors' Motion for Interim and Final Orders (I) Authorizing the Debtors to Assume the Consulting Agreement, (II) Authorizing and Approving the Conduct of Store Closing Sales, With Such Sales to be Free and Clear of All Liens, Claims, and Encumbrances, (III) Authorizing Customary Bonuses to Employees of Closing Business Locations and (IV) Granting Related Relief* (the "Store Closing Motion"), the Debtors are authorized, but not directed, in their business judgment, to continue, maintain, implement new, and/or terminate the Customer Programs or Consignment Arrangements, in the ordinary course of business and in a manner consistent with past practice; *provided, however,* that if the Debtors at any time during these bankruptcy cases cease to honor gift cards, they shall file a notice of the same with the Court, and serve such notice on the Office of the U.S. Trustee, any official committee appointed in these cases, the prepetition secured lenders, the lenders

under the proposed debtor in possession financing facility, and any party filing request for service under Bankruptcy Rule 2002.

3. Except as otherwise provided for in the Store Closing Motion, the Debtors are authorized, but not directed, in their business judgment, to pay, honor, and otherwise satisfy (including, without limitation, through setoffs and recoupments) prepetition Customer and Consignment Obligations relating to the Customer Programs or Consignment Arrangements, in the ordinary course of business and in a manner consistent with past practice, *provided, however*, that any use of Gift Cards, Rewards Cards, or refunds of prepaid deposits to any individual customers made pursuant to the Customer Programs shall be limited to \$2,850 as set forth in section 507(a)(7) of the Bankruptcy Code.

4. Subject to a determination at the Final Hearing, this Order does not currently authorize the Debtors to make any payments on account of prepetition amounts owed to Warrantech under the Warranty Program or to Blackhawk under the Rewards Program.

5. The Banks shall be, and hereby are, authorized, when requested by the Debtors in their business judgment, to receive, process, honor, and pay any and all checks or electronic fund transfers drawn on the Debtors' bank accounts on account of the prepetition Customer and Consignment Obligations, whether those checks were presented prior to or after the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments.

6. The Debtors are authorized to issue postpetition checks or to effect postpetition fund transfer requests in replacement of any checks or fund transfer requests related to the Customer and Consignment Obligations dishonored or rejected as a consequence of the commencement of these chapter 11 cases.

7. Nothing in this Order (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates, (b) shall impair, prejudice, waive or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority or amount of any claim against the Debtors and their estates, or (c) shall be construed as a promise to pay a claim.

8. The Debtors are authorized to take any and all actions necessary to effectuate the relief granted herein.

9. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

10. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

11. The requirement of Bankruptcy Rule 6004(a) is waived.

12. Furniture vendors are not required to seek relief from the automatic stay or further authorization from this Court in order to credit amounts paid by the Debtors to Service Companies under the Repair Service Policy against amounts owed by the Debtors to furniture vendors.

13. 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 the requirements imposed on the Debtors under 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.

14. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

15. **The Final Hearing on the Motion shall be held before this Court on March 31, 2017 at 9:00 a.m. (ET) in Room 329, Birch Bayh Federal Building and U.S. Courthouse, 46 E. Ohio Street, Indianapolis, IN 46204. If you cannot attend the Final Hearing in person, and wish to do so telephonically, the toll-free dial-in number is: 1-888-872-3603, passcode: 3172362120.**

16. The Debtors shall, within three (3) business days of the entry of this Interim Order, serve (A) the U.S. Trustee; (B) Choate, Hall & Stewart LLP (attn: John Ventola and Sean Monahan) as counsel to (i) the DIP Agent and (ii) the Prepetition Agent; (C) DLA Piper LLP (attn.: Stuart Brown), as counsel to the FILO Agent; (D) holders of the 30 largest unsecured claims on a consolidated basis against the Debtors; (E) the Internal Revenue Service; (F) all appropriate state taxing authorities; (G) the Banks; and (H) any other party that files a request for notices with the Court as of the date of such service, a copy of the Interim Order and a notice of the Final Hearing to consider entry of the Final Order.

17. If no objections to the relief sought in the Motion are filed and served in accordance with this Interim Order, no Final Hearing shall be held, and a separate Final Order may be presented jointly by the Debtors and entered by this Court upon certification of counsel by the Debtors.

18. Any party in interest objecting to the relief sought in the Motion shall submit any such objection in writing and file same with this Court and serve such objection so as to be received no later than March 24, 2017 on the following parties:

<p>Debtors</p> <p>Kevin J. Kovacs hhgregg, Inc. 4151 E. 96th Street Indianapolis, Indiana 46240</p>	<p>Office of the United States Trustee</p> <p>Office of the United States Trustee for the Southern District of Indiana Attn: Ronald J. Moore, Esq. 101 West Ohio Street, Suite 1000 Indianapolis, IN 46204 Email: Ronald.Moore@usdoj.gov</p>
<p>Counsel for the Debtors</p> <p>MORGAN, LEWIS & BOCKIUS LLP Neil E. Herman 101 Park Avenue New York, New York 10178 Telephone: (212) 309-6000 Neil.Herman@morganlewis.com</p> <p>-and-</p> <p>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 Jeff.hokanson@icemiller.com Sarah.fowler@icemiller.com</p>	<p>Counsel for the Prepetition Agent</p> <p>Choate, Hall & Stewart LLP Two International Place Boston Massachusetts 02110 Attn: John F. Ventola, Esq. and Sean M. Monahan, Esq. Email: jventola@choate.com and smonahan@choate.com</p>
<p>Counsel for the DIP Agent</p> <p>Choate, Hall & Stewart LLP Two International Place Boston, Massachusetts 02110 Attn: John F. Ventola, Esq. and Sean M. Monahan, Esq. E-mail: jventola@choate.com and smonahan@choate.com</p>	<p>Counsel for FILO Agent</p> <p>DLA Piper LLP 1201 North Market Street, Suite 2100 Wilmington, Delaware 19801 Attn: Stuart Brown, Esq. Email: stuart.brown@dlapiper.com</p>

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