

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEBRASKA**

---

	) Chapter 11
In re:	)
	) Case No.: 19-80064-TLS
SPECIALTY RETAIL SHOPS HOLDING	)
CORP., <i>et al.</i> , <sup>1</sup>	) (Jointly Administered)
	)
Debtors.	)
	)

---

**APPLICATION FOR ORDER PURSUANT TO  
11 U.S.C. §§ 328 AND 1103, AND FED. R. BANKR. P. 2014 AUTHORIZING  
AND APPROVING THE EMPLOYMENT AND RETENTION OF PACHULSKI  
STANG ZIEHL & JONES LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS NUNC PRO TUNC TO JANUARY 21, 2019**

The Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned debtors and debtors in possession (the “Debtors”) hereby submits its application (this “Application”) for the entry of an order authorizing and approving the employment of Pachulski Stang Ziehl & Jones LLP (“PSZJ” or the “Firm”) as counsel to the Committee in connection with the Debtors’ chapter 11 cases (the “Cases”) *nunc pro tunc* to January 21, 2019, pursuant to sections 328(a) and 1103(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). In support of the relief sought in the Application, the Committee submits the (i) Declaration of Bradford J. Sandler, a partner of the Firm (the “Sandler Declaration”), attached hereto as Exhibit A and incorporated herein by reference, and (ii) the declaration of the Committee chair attached hereto

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Specialty Retail Shops Holding Corp. (0029); Pamida Stores Operating Co., LLC (6157); Pamida Transportation, LLC (4219); Penn-Daniels, LLC (0040); Place’s Associates’ Expansion, LLC (7526); Retained R/E SPE, LLC (6679); Shopko Finance, LLC (1152); Shopko Gift Card Co., LLC (2161); ShopKo Holding Company, LLC (0171); ShopKo Institutional Care Services Co., LLC (7112); ShopKo Optical Manufacturing, LLC (6346); ShopKo Properties, LLC (0865); ShopKo Stores Operating Co., LLC (6109); SVS Trucking, LLC (0592). The location of the Debtors’ service address is: 700 Pilgrim Way, Green Bay, Wisconsin 54304.

as Exhibit B and incorporated herein by reference. In further support of the Application, the Committee respectfully states as follows:

### **Jurisdiction and Venue**

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue of this proceeding and this Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory bases for the relief requested herein are sections 328 and 1103 of the Bankruptcy Code and Bankruptcy Rule 2014.

### **Background**

4. On January 16, 2019 (the "Petition Date"), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Nebraska (the "Court"), thereby commencing these chapter 11 cases (the "Cases"). The Debtors continue in possession of their property and are operating and managing their businesses as debtors in possession pursuant to the provisions of 11 U.S.C. §§ 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Cases.
5. On January 18, 2019, the Office of the United States Trustee appointed the Committee pursuant to section 1102 of the Bankruptcy Code. The Committee consists of the following seven (7) members: (i) Hanesbrands, Inc.; (ii) Readerlink Distribution Services, LLC; (iii) Home Products International N.A.; (iv) McKesson Corp.; (v) Notations, Inc.; (vi) LCN SKO

Omaha (Multi) LLC; and (vii) Realty Income Corporation. *See Appointment of Committee of Unsecured Creditors* [Docket No. 95].

6. On January 21, 2019, the Committee voted to retain PSZJ as its lead counsel along with Goosmann Law Firm, PLC (“GLF”) as its Nebraska counsel, subject to Court approval. Although PSZJ and GLF will work closely together in providing services to the Committee, PSZJ and GLF will not perform duplicative services for the Committee.

7. The Firm has approximately 65 attorneys with a practice concentrated on corporate reorganizations, bankruptcy, litigation, and commercial matters. The Firm’s attorneys have extensive experience representing creditors’ committees, debtors, creditors, trustees and others in a wide variety of bankruptcy cases. Attorneys of the Firm have extensive experience representing creditors’ committees in complex chapter 11 cases throughout the country, including Payless Holdings (E.D. Mo.), Bakers Footwear (E.D. Mo.), The Bon-Ton Stores (D. Del.), Ignite Restaurant Group (S.D. Tex.), Sports Authority (D. Del.), Western Convenience Stores (D. Colo.), BCBG Max Azria (S.D.N.Y.), Anna’s Linens, (C.D. Cal.), and Aéropostale (S.D.N.Y.). Based on these facts, the Committee believes that the Firm is well-qualified to render the services as described below.

### **Relief Requested**

8. By this Application, the Committee respectfully requests that the Court enter an order pursuant to sections 328(a) and 1103(a) of the Bankruptcy Code and Bankruptcy Rule 2014, authorizing the Committee to employ and retain the Firm as its counsel in these Cases. The Committee seeks to retain the Firm *nunc pro tunc* to January 21, 2019, because the

Firm began providing services to the Committee as of such date. The Committee believes that such *nunc pro tunc* retention is appropriate in these Cases because the Committee required effective representation prior to such time as a retention application could be submitted to the Court due to the exigencies of these Cases, and the Firm has been providing services to the Committee since January 21, 2019.

**Services to be Rendered**

9. Subject to further order of this Court, the Firm is expected to render, among other services, the following services to the Committee:
- a. Assisting, advising and representing the Committee in its consultations with the Debtors regarding the administration of these Cases;
  - b. Assisting, advising and representing the Committee with respect to the Debtors' retention of professionals and advisors with respect to the Debtors' business and these Cases;
  - c. Assisting, advising and representing the Committee in analyzing the Debtors' assets and liabilities, investigating the extent and validity of liens and participating in and reviewing any proposed asset sales, any asset dispositions, financing arrangements and cash collateral stipulations or proceedings;
  - d. Assisting, advising and representing the Committee in any manner relevant to reviewing and determining the Debtors' rights and obligations under leases and other executory contracts;
  - e. Assisting, advising and representing the Committee in investigating the acts, conduct, assets, liabilities and financial condition of the Debtors, the Debtors' operations and the desirability of the continuance of any portion of those operations, and any other matters relevant to the Cases or to the formulation of a plan;
  - f. Assisting, advising and representing the Committee in connection with any sale of the Debtors' assets;

- g. Assisting, advising and representing the Committee in its participation in the negotiation, formulation, or objection to any plan of liquidation or reorganization;
- h. Assisting, advising and representing the Committee in understanding its powers and its duties under the Bankruptcy Code and the Bankruptcy Rules and in performing other services as are in the interests of those represented by the Committee;
- i. Assisting, advising and representing the Committee in the evaluation of claims and on any litigation matters, including avoidance actions; and
- j. Providing such other services to the Committee as may be necessary in these Cases.

**No Adverse Interest and Disclosure of Connections**

10. The Committee believes that PSZJ does not hold or represent any interest that is adverse to the Committee and the Debtors' estates and does not hold or represent any interest adverse to and has no connection with the Committee, the Debtors, its creditors or any party in interest herein in the matters upon which PSZJ is to be retained, except as set forth in the Sandler Declaration.

11. Other than as set forth in the Sandler Declaration, neither PSZJ nor any of its attorneys has any connection with any party in interest, or their attorneys or accountants, in these Cases.

12. Except as provided for in the Sandler Declaration, to the best of the Committee's knowledge, neither PSZJ, nor any of its attorneys, holds or represents any interest adverse to the Committee or the Debtors' estates in the matters on which they are to be retained. The Committee submits that its proposed employment of PSZJ is in the best interests of the Committee and its members.

13. To the best of the Committee's knowledge, and except as disclosed in the Sandler Declaration, PSZJ has had no other prior connection with the Debtors, their creditors, or any other party in interest. Upon information and belief, PSZJ does not hold or represent any interest adverse to the Debtors' estates, the Committee, or the creditors the Committee represents in the matters upon which it has been and is to be engaged.

14. PSZJ represents creditors' committees in many other bankruptcy cases, the members of which (together with other creditors of such cases) may be creditors of the Debtors or members of the Committee. However, PSZJ will not represent any members of those committees with respect to any claims that they may have collectively or individually against the Debtors.

15. Similarly, PSZJ may represent, or may have represented, debtors, creditors' committees, or trustees in cases or proceedings against creditors of the Debtors that are unrelated to these Cases.

### **Professional Compensation**

16. Subject to Court approval in accordance with section 330(a) of the Bankruptcy Code and any applicable orders of this Court, compensation will be payable to PSZJ on an hourly basis, plus reimbursement of actual, necessary expenses and other charges incurred by PSZJ. The current standard hourly rates for professionals and paralegals presently designated to represent the Committee are:

- |     |          |                                 |
|-----|----------|---------------------------------|
| (a) | Partners | \$725.00 to \$1,395.00 per hour |
| (b) | Counsel  | \$650.00 to \$1,095.00 per hour |

- (c) Associates \$575.00 to \$695.00 per hour
- (d) Paralegals \$375.00 to \$395.00 per hour

17. The hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Other attorneys and paralegals may from time to time serve the Committee in connection with the matters described herein.

18. The hourly rates set forth above are PSZJ's standard hourly rates for work of this nature. These rates are set at a level designed to fairly compensate PSZJ for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. It is PSZJ's policy to charge its clients in all areas of practice for all other out-of-pocket expenses incurred in connection with the client's case. The expenses charged to clients include, Court filing fees, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document retrieval, photocopying and scanning charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by PSZJ to outside copying services for use in mass mailings, travel expenses, expenses for working meals, computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. PSZJ will charge the Committee for these expenses in a manner and at rates consistent with charges made generally to PSZJ's other clients. PSZJ believes that it is more appropriate to charge these expenses to the clients incurring them than to increase the hourly rates and spread the expenses among all clients.

**Notice**

19. Notice of this Application has been given to the following parties: (i) the Office of the United States Trustee for the District of Nebraska; (ii) counsel for the Debtors; (iii) the agents under the Debtors' prepetition asset-backed facility; (iv) the agents under the proposed DIP Facility; (v) the agents under the Debtors' prepetition term loan facility; and (vi) all parties that have requested to receive notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Committee respectfully submits that no other or further notice is required.

**No Prior Request**


20. No previous application for the relief requested herein has been made to this or any other court.



WHEREFORE, the Committee respectfully requests entry of an order authorizing the Committee to employ and retain PSZJ as counsel, *nunc pro tunc* to January 21, 2019 and granting such other and further relief as is just and proper.

Dated: February 14, 2019

**THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS OF SPECIALTY  
RETAIL SHOPS HOLDING CORP., et al.**



---

McKesson Corporation  
By: Ben Carlsen

Solely in McKesson's capacity as Chair of the  
Official Committee of Unsecured Creditors of  
Specialty Retail Shops Holding Corp., et al., and  
not in any other capacity

**CERTIFICATE OF SERVICE**

I certify that on February 14, 2019, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will send notification of such filing to all counsel of record registered with the CM/ECF system.

I further certify that on February 14, 2019, I served the following parties by first class, U.S. Mail, postage prepaid:

Ducera Partners, LLC  
499 Park Avenue  
16th Floor  
New York, NY 60022

Patrick J. Nash, Jr. on behalf of Debtor  
Specialty Retail Shops Holding Corp.  
Kirkland & Ellis LLP  
300 North LaSalle  
Chicago, IL 60654

Matthew A. Feldman  
Willkie Farr & Gallagher, LLP  
787 Seventh Avenue  
New York, NY 10019

Northwest Natural Gas Company  
Attn: Ashlee Minty, CCRA, CBA  
220 NW 2nd Avenue  
Portland, OR 97209

Hilco Real Estate, LLC  
5 Revere Drive  
Suite #206  
Northbrook, IL 60062

PRA Receivables Management, LLC  
PO Box 41021  
Norfolk, VA 23541

IBM Credit LLC  
Andrew Gravina - Special Handling Group  
7100 Highlands Pkwy  
Smyrna, GA 30082-4859

Prime Clerk LLC  
830 3rd Avenue  
3rd Floor  
New York, NY 10022

Jennifer L. Marines on behalf of Creditor  
United Parcel Service, Inc.  
Morrison & Foerster LLP  
250 West 55th Street  
New York, NY 10019-9601

Wisconsin Rapids Water Works and  
Lighting Commission  
Attn: Jeff Kuhn, CPA  
221 16th St.  
PO Box 399  
Wisconsin Rapids, WI 54495

Zhangusa Investments, LLC dba ZiMart  
Kermit LLC, a Texas series limited liab. Co.  
3420 Pine Ave.  
Waco, TX 76708

/s/ Celia M. Baker  
Celia M. Baker

**EXHIBIT A**

**Declaration of Bradford J. Sandler**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEBRASKA**

	)	Chapter 11
In re:	)	
	)	Case No.: 19-80064-TLS
SPECIALTY RETAIL SHOPS HOLDING	)	
CORP., <i>et al.</i> , <sup>1</sup>	)	(Jointly Administered)
	)	
Debtors.	)	
	)	

**DECLARATION OF BRADFORD J. SANDLER  
IN SUPPORT OF APPLICATION FOR ORDER PURSUANT  
TO 11 U.S.C. §§ 328 AND 1103 AND FED. R. BANKR. P. 2014 AUTHORIZING  
AND APPROVING THE EMPLOYMENT AND RETENTION OF PACHULSKI  
STANG ZIEHL & JONES LLP AS COUNSEL TO THE OFFICIAL COMMITTEE  
OF UNSECURED CREDITORS NUNC PRO TUNC TO JANUARY 21, 2019**

I, BRADFORD J. SANDLER, declare under penalty of perjury as follows:

1. I am a partner in the firm of Pachulski Stang Ziehl & Jones LLP (“PSZJ” or the “Firm”), with offices located at 780 Third Avenue, 34<sup>th</sup> Floor, New York, NY 10017, and have been duly admitted to practice law in the state of New York, among other jurisdictions. I am authorized to submit this declaration (the “Declaration”) in support of the *Application for Order Pursuant to 11 U.S.C §§ 328 and 1103 and Fed. R. Bankr. P. 2014 Authorizing and Approving the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Counsel to the Official Committee of Unsecured Creditors Nunc Pro Tunc to January 21, 2019* (the “Application”).<sup>2</sup>

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Specialty Retail Shops Holding Corp. (0029); Pamida Stores Operating Co., LLC (6157); Pamida Transportation, LLC (4219); Penn-Daniels, LLC (0040); Place’s Associates’ Expansion, LLC (7526); Retained R/E SPE, LLC (6679); Shopko Finance, LLC (1152); Shopko Gift Card Co., LLC (2161); ShopKo Holding Company, LLC (0171); ShopKo Institutional Care Services Co., LLC (7112); ShopKo Optical Manufacturing, LLC (6346); ShopKo Properties, LLC (0865); ShopKo Stores Operating Co., LLC (6109); SVS Trucking, LLC (0592). The location of the Debtors’ service address is: 700 Pilgrim Way, Green Bay, Wisconsin 54304.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

2. Neither I, the Firm, nor any partner, of counsel, or associate thereof, insofar as I have been able to ascertain, has any connection with the Debtors, their creditors, or any other parties in interest herein, their respective attorneys and accountants, the U.S. Trustee, or any person employed in the office of the U.S. Trustee, except as set forth herein.

### **Disclosure of Connections**

3. Section 1103(b) of the Bankruptcy Code does not incorporate the general “disinterestedness” standard of section 327(a) of the Bankruptcy Code. However, Bankruptcy Rule 2014 requires that an application for employment under section 1103 disclose all connections with the Debtors, the estates, the professionals, and the U.S. Trustee. The Firm, therefore, discloses its known connections herein.

4. The Firm has made the following investigation of disinterestedness prior to submitting this Declaration. The Firm has undertaken a full and thorough review of its computer database, which contains the names of clients and other parties interested in particular matters. The Firm requires all of its professionals, before accepting the representation of a new client, or the representation of an existing client in a new matter, to perform a conflicts check through the Firm’s database and to enter conflict information regarding new clients or new matters into that database. Thus, a review of said computerized database should reveal any and all actual or potential conflicts of interest with respect to any given representation. In particular, an employee of the Firm, under my supervision, entered the names of creditors and parties in interest provided by the Debtors in the Firm’s database with respect to the Firm’s conflict check in these Cases, including the following categories of parties: Debtors; non-Debtor affiliates;

current and former officers and directors; bankruptcy professionals; banks; lenders, agents, and bondholders; litigation parties; insurance companies; top 50 unsecured creditors; landlords; contract counterparties; professionals; surety bonds; indenture trustees; US Trustee's office employees; and District of Nebraska Bankruptcy Court Judges.

5. Based on the results of the Firm's search of its database, it appears that PSZJ does not hold or represent any interest adverse to and has no connection with the Debtors herein, their creditors, the U.S. Trustee or any party in interest herein in the matters upon which PSZJ is to be retained. In an abundance of caution, PSZJ discloses the following connections to these cases:

a. McKesson Corporation ("McKesson") is a creditor and member of the Committee in these Cases. The Firm is counsel to McKesson Corporation and certain affiliates as the plaintiff in a suit unrelated to these Cases currently pending in the Superior Court of the State of California, County of Contra Costa, Case No. C15-01448. The Firm does not and will not represent McKesson or any of its affiliates in connection with the Debtors' chapter 11 cases.

b. Enesco LLC ("Enesco") is a creditor in these Cases. The Firm represents Enesco in connection with the bankruptcy case of Things Remembered, Inc. currently pending in the Bankruptcy Court for the District of Delaware, Case No. 19-10234. The Firm does not and will not represent Enesco or any of its affiliates in connection with the Debtors' chapter 11 cases.

c. Payless Holdings LLC (“Payless”) is a creditor in these Cases.

The Firm represented the official committee of unsecured creditors of Payless and its affiliated debtors and is currently is counsel to the Post Effective Date Claims Oversight Committee. The Firm does not and will not represent the Post Effective Date Claims Oversight Committee or Payless in connection with the Debtors’ chapter 11 cases.

6. PSZJ and its attorneys may represent and, in the future, will likely represent creditors and other parties in interest of the Debtors in connection with matters wholly unrelated to the Debtors and these Cases. At this time, the Firm is not aware of any such representations other than as set forth above. If the Firm identifies any further such representations, the Firm shall make further disclosures as may be appropriate at that time.

7. Further, PSZJ represented, represents, and, in the future, will likely represent many committees in matters wholly unrelated to the Debtors and these Cases, whose members may be creditors and/or committee members in these Cases. The Firm, however, is not representing any of those entities in these Cases.

8. The Firm has represented, represents, and, in the future, will likely represent debtors, creditors’ committees, and other parties in cases unrelated to the Debtors and these Cases wherein one or more of the firms or professionals involved in these cases representing the Debtors or other parties-in-interest serve as or will serve as professionals in those other cases.



9. To the extent applicable, PSZJ is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code in that the Firm, its partners, of counsel, and associates:

(a) are not creditors, equity security holders or insiders of the Debtors;

(b) are not and were not, within two (2) years before the Petition Date, a director, officer, or employee of the Debtors; and

(c) do not have an interest materially adverse to the interests of the Debtors’ estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason, except as disclosed herein.

### **Compensation**

10. The Firm has received no retainer from the Debtors or the Committee, nor has the Firm received any payment or promise of payment, during the one-year period prior to the Petition Date on this engagement. No compensation has been paid or promised to be paid from a source other than the Debtors’ estate in these Cases on this engagement. No promises have been received by the Firm nor by any partners, of counsel or associates thereof as to compensation in connection with these Cases other than in accordance with the provisions of the Bankruptcy Code. The Firm has no agreement with any other entity to share with such entity any compensation received by the Firm in connection with these Cases, except among the partners, of counsel, and associates of the Firm. Neither the Committee nor its members (or any

of their representatives) are or will be liable for fees or costs incurred by the Firm in its representation of the Committee.

11. Subject to Court approval in accordance with section 330(a) of the Bankruptcy Code and any applicable orders of this Court, compensation will be payable to PSZJ on an hourly basis, plus reimbursement of actual, necessary expenses and other charges incurred by PSZJ. The current standard hourly rates for professionals and paralegals presently designated to represent the Committee are:

(a)	Partners	\$725.00 to \$1,395.00 per hour
(b)	Counsel	\$650.00 to \$1,095.00 per hour
(c)	Associates	\$575.00 to \$695.00 per hour
(d)	Paralegals	\$375.00 to \$395.00 per hour

12. The hourly rates set forth above are the Firm's standard hourly rates for work of this nature, which are subject to adjustment from time to time. These rates are set at a level designed to fairly compensate the Firm for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. These rates are subject to periodic adjustments to reflect economic and other conditions. It is the Firm's policy to charge its clients in all areas of practice for all other out-of-pocket expenses incurred in connection with the client's case. The expenses charged to clients include, Court filing fees, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document retrieval, photocopying and scanning charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by the Firm to outside copying services for use in mass mailings,

travel expenses, expenses for working meals, computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. The Firm will charge the Committee for these expenses in a manner and at rates consistent with charges made generally to the Firm's other clients and in accordance with the guidelines set forth in Local Rule 2014-1, and all amendments and supplemental standing orders of the Court. The Firm believes that it is more appropriate to charge these expenses to the clients incurring them than to increase the hourly rates and spread the expenses among all clients.

13. Subject to Court approval, the Committee may seek to retain various professionals during the pendency of these Cases. PSZJ intends to work closely with all professionals retained by the Committee to ensure that there is no unnecessary duplication of services performed or charged to the Debtors' estate.

**Attorney Statement Pursuant to Fee Guidelines**

14. The Firm provides the following responses to the questions set forth in Part D of the *Appendix B Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under United States Code by Attorneys in Larger Chapter 11 Cases* (the "Revised UST Guidelines"):

**Question:** Did you agree to any variations from, or alternatives to, your standard or customary billing arrangements for this engagement?

**Response:** No.

**Question:** Do any of the professionals included in this engagement vary their rate based on the geographic location of the bankruptcy case?

**Response:** No.

**Question:** If you represented the client in the 12 months prepetition, disclose your billing rates and material financial terms for the prepetition engagement, including any adjustments during the 12 months prepetition. If your billing rates and material financial terms have changed post-petition, explain the difference and the reasons for the difference.

**Response:** Not applicable.

**Question:** Has your client approved your prospective budget and staffing plan, and, if so, for what budget period?

**Response:** As Committee counsel, PSZJ and GLF anticipate that the budget for Committee professionals will be governed by the line item set forth for Committee professionals in any order that may be entered approving the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection to the Prepetition Lenders, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* [D.I. 35], subject to any rights that the Committee may have to object if an agreement cannot be reached between the Debtors and the Committee. The Committee and its professionals reserve all rights to seek approval of Committee professional fees.

15. PSZJ intends to make a reasonable effort to comply with the UST's requests for information and additional disclosures as set forth in the Revised UST Guidelines, both in connection with the Application and the interim and final fee applications to be filed by PSZJ in these chapter 11 cases.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: February 14, 2019

*/s/ Bradford J. Sandler*  
\_\_\_\_\_  
Bradford J. Sandler

**EXHIBIT B**

**Declaration of Committee Chair**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEBRASKA**

	)	Chapter 11
In re:	)	
	)	Case No.: 19-80064-TLS
SPECIALTY RETAIL SHOPS HOLDING	)	
CORP., <i>et al.</i> , <sup>1</sup>	)	(Jointly Administered)
	)	
Debtors.	)	
	)	

**DECLARATION OF COMMITTEE CHAIR IN SUPPORT OF  
APPLICATION FOR ORDER PURSUANT TO 11 U.S.C.  
§§ 328 AND 1103 AND FED. R. BANKR. P. 2014 AUTHORIZING AND  
APPROVING THE EMPLOYMENT AND RETENTION OF PACHULSKI  
STANG ZIEHL & JONES LLP AS COUNSEL TO THE OFFICIAL COMMITTEE  
OF UNSECURED CREDITORS *NUNC PRO TUNC* TO JANUARY 21, 2019**

BEN CARLSEN, as an authorized representative of the Committee, declares under penalty of perjury as follows:

1. I, Ben Carlsen, am Counsel, Credit and Bankruptcy, of McKesson Corporation (“McKesson”). McKesson was elected Chair of the Official Committee of Unsecured Creditors (the “Committee”) appointed in the bankruptcy cases (the “Cases”) of the above-captioned debtors (collectively the “Debtors”). I am an authorized representative of the Committee and am authorized to submit this declaration (the “Declaration”) in support of the *Application for Order Pursuant to 11 U.S.C §§ 328 and 1103 and Fed. R. Bankr. P. 2014 Authorizing and Approving the Employment and Retention of Pachulski Stang Ziehl & Jones*

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Specialty Retail Shops Holding Corp. (0029); Pamida Stores Operating Co., LLC (6157); Pamida Transportation, LLC (4219); Penn-Daniels, LLC (0040); Place’s Associates’ Expansion, LLC (7526); Retained R/E SPE, LLC (6679); Shopko Finance, LLC (1152); Shopko Gift Card Co., LLC (2161); ShopKo Holding Company, LLC (0171); ShopKo Institutional Care Services Co., LLC (7112); ShopKo Optical Manufacturing, LLC (6346); ShopKo Properties, LLC (0865); ShopKo Stores Operating Co., LLC (6109); SVS Trucking, LLC (0592). The location of the Debtors’ service address is: 700 Pilgrim Way, Green Bay, Wisconsin 54304.

*LLP as Counsel to the Official Committee of Unsecured Creditors Nunc Pro Tunc to January 21, 2019* (the “Application”) on behalf of the Committee.<sup>2</sup>

**The Committee’s Selection of PSZJ as Counsel**

2. Pachulski Stang Ziehl & Jones LLP (“PSZJ” or the “Firm”) is proposed to serve as counsel to the Committee. The Committee recognizes that a review process is necessary in managing counsel to ensure that bankruptcy professionals are subject to the same scrutiny and accountability as professionals in non-bankruptcy engagements. The review process utilized by the Committee here assessed potential committee counsel based on their expertise in the relevant legal issues and in similar proceedings.

3. On January 18, 2019, the Office of the United States Trustee appointed the Committee pursuant to section 1102 of the Bankruptcy Code. The Committee consists of the following seven (7) members: (i) Hanesbrands, Inc.; (ii) Readerlink Distribution Services, LLC; (iii) Home Products International N.A.; (iv) McKesson Corp.; (v) Notations, Inc.; (vi) LCN SKO Omaha (Multi) LLC; and (vii) Realty Income Corporation. *See Appointment of Committee of Unsecured Creditors* [Docket No. 95].

4. On January 21, 2019, the Committee voted to retain PSZJ as its counsel, subject to Court approval. In addition to PSZJ, the Committee considered several other law firms as counsel. The Committee believes that PSZJ’s extensive experience in corporate reorganizations, both out-of-court and under chapter 11 of the Bankruptcy Code, makes it well

---

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

qualified to represent the Committee in these Cases in an efficient and timely manner. Thus, the Committee decided to retain PSZJ as the Committee's counsel during these chapter 11 cases.

### **Rate Structure**

5. In my capacity as Chair and authorized representative of the Committee, I am responsible, along with the other Committee members, for supervising counsel. PSZJ has informed the Committee that its rates are consistent between bankruptcy representations, including related transactional and litigation services. PSZJ has informed the Committee that its current hourly rates apply to non-bankruptcy services, if any, provided by the Firm, unless a contingent fee, mixed contingent fee, flat fee, or blended rate arrangement is agreed upon. The Committee has been informed that the Firm does not have different billing rates and terms for non-bankruptcy engagements.

### **Cost Supervision**

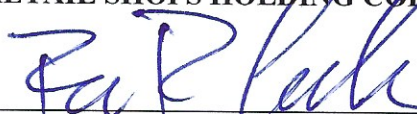
6. The members of the Committee recognize that it is their responsibility to closely monitor the billing practices of their counsel to ensure the fees and expenses paid by the estates remain consistent with the Committee's expectations and the exigencies of the Cases. The Committee will continue to review the invoices that PSZJ regularly submits.



Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing  
is true and correct to the best of my knowledge and belief.

Dated: February 14, 2019

**THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS OF SPECIALTY  
RETAIL SHOPS HOLDING CORP., *et al.***



McKesson Corporation

By: Ben Carlsen

Solely in McKesson's capacity as Chair of the  
Official Committee of Unsecured Creditors of  
Specialty Retail Shops Holding Corp., *et al.*, and  
not in any other capacity