

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

<p>In re:</p> <p>PACKABLE HOLDINGS, LLC F/K/A ENTOURAGE COMMERCE, LLC, <i>et al.</i>,¹</p> <p style="text-align: center;">Debtors.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 22-10797 (CTG)</p> <p>(Jointly Administered)</p> <p>Objection Deadline: December 27, 2022 at 4:00 p.m. (ET)</p> <p>Re: Docket No. 250</p>
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**DECLARATION OF RICHELLE KALNIT REGARDING APPROVAL
OF EARNED COMMISSIONS AND REIMBURSABLE EXPENSES PURSUANT
TO ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT OF
HILCO IP SERVICES, LLC D/B/A HILCO STREAMBANK AS INTELLECTUAL
PROPERTY DISPOSITION CONSULTANT TO THE DEBTORS, EFFECTIVE
AS OF SEPTEMBER 16, 2022 AND WAIVING CERTAIN REPORTING
REQUIREMENTS PURSUANT TO LOCAL RULE 2016-2(H)**

I, Richelle Kalnit, hereby declare under penalty of perjury:

1. I am a Senior Vice President of Hilco IP Services, LLC d/b/a Hilco Streambank (“Hilco Streambank”), which has been retained as advisor to the above-captioned debtors and debtors in possession (the “Debtors”) in connection with the sale or disposition of the Debtors’ intangible assets as set forth in the *Application of Debtors for Entry of an Order (I) Authorizing the Retention and Employment of Hilco IP Services, LLC d/b/a Hilco Streambank, as Intangible Assets Disposition Consultant to the Debtors, Effective as of September 16, 2022; (II) Waiving Certain Information Requirements of Local Rule 2016-2; and (III) Granting Related Relief* [Docket No. 142], which application was granted by the Court on October 24, 2022 [Docket No. 250] (the “Retention Order”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number include: Packable Holdings, LLC (6932); Greenpharm Ventures LLC (1513); Packable Media, LLC (6006); Pharmapacks, LLC (6676); Packable Ventures, LLC (1172); and Access Brands, LLC (8582). The location of the Debtors’ service address in these chapter 11 cases is 80 Wilshire Blvd., Brentwood, NY 11717.

2. Except as otherwise stated, the statements set forth herein are based upon my review of relevant documents, my discussions with the Debtors and their professionals, including other members of Hilco Streambank, and my personal knowledge and experience.

3. Hilco Streambank is an expert in the valuation, preservation, and monetization of intangible assets. Hilco Streambank has provided intangible asset advisory services for dozens of retail and consumer companies. Many of those companies were debtors with chapter 11 bankruptcy cases pending in this and other districts.

Services Provided by Hilco Streambank

4. In connection with its engagement by the Debtors, Hilco Streambank worked – and continues to work – with the Debtors’ management and professionals to identify and assemble relevant data concerning the Intangible Assets and Related Intangible Assets (each, as defined in the Retention Application and, collectively, the “Assets”), and to market the Assets to potential buyers. Hilco Streambank’s activities included – and continue to include – the following:

- a. identifying the Assets and assisting the Debtors in preserving such Assets;
- b. developing marketing materials including a “teaser” describing the Assets, the history of their use and their availability for sale;
- c. developing a contact list of potential buyers of the Assets;
- d. having direct contact by phone or email with approximately 263 potential buyers of the Assets;
- e. disseminating email marketing materials that were sent to approximately 22,000 potential buyers of the Assets culled from Hilco Streambank’s proprietary contact database;
- f. establishing and populating a virtual data room and arranging for the admission of approximately 95 parties to the data room who executed a form of non-disclosure agreement acceptable to the Debtors;
- g. drafting and disseminating a press release via PR Newswire describing the Assets and their availability for sale;

- h. disseminating social media posts on LinkedIn and Twitter;
- i. facilitating two (2) diligence sessions for parties who had signed non-disclosure agreements via Zoom webinar with the Debtors' management team and the Debtors' software development team;
- j. developing an auction format for the Assets, including a bid form and working with counsel for the Debtors to develop appropriate auction procedures;
- k. working with the Debtors and their other advisors to qualify bids received for the Assets;
- l. managing the auction of certain the Assets;
- m. working with the Debtors to document deliverables and terms of the sales of the Assets; and
- n. continuing to work with the Debtors and their professionals to close Asset sales, including "de minimis" sales.

5. The Debtors have also been assisted by other asset class disposition experts, including Hilco Merchant Resources with respect to the Debtors' inventory and fixtures, furniture, and equipment.

The Sales of the Debtors' Assets, Including Intangible Assets

6. As part of the marketing process for the Assets, Hilco Streambank and the Debtors notified potential buyers that any offers to acquire the Assets needed to be submitted in writing on or before November 14, 2022, together with a minimum good-faith deposit equal to 10% of the proposed purchase price and other requirements as set forth more fully in the procedures established for bidding [Docket No. 264] (the "Bid Procedures"). Subsequently, and as documented in a notice filed at Docket No. 345, the deadline to submit bids was extended to November 28, 2022 (the "Bid Deadline"). Interested parties also had an opportunity to place bids on "de minimis" Assets pursuant to the Court's order with respect to de minimis asset sales [Docket No. 258] (the "De Minimis Asset Sale Procedures Order").

7. Prior to the Bid Deadline, Hilco Streambank engaged with multiple interested parties. Ultimately, the Debtors received bids from numerous parties. Based on the structure set for the auction, the Debtors, in consultation with the ABL Agent (as defined in the Bidding Procedures), ABL lenders, and the Committee (as defined in the Bidding Procedures and, together with the ABL Agent and ABL lenders, the “Consultation Parties”), determined, in accordance with the De Minimis Asset Sale Procedures Order, to reach agreement with parties making offers for certain de minimis Assets. As a result, those Assets were excluded from the auction. The Debtors anticipate documenting those transactions and then filing notices in accordance with the De Minimis Asset Sale Procedures Order.

8. Accordingly, based on the remaining Assets available to be bid on at the auction, the Debtors determined that seven (7) of the bids received were deemed qualified as contemplated by the Bid Procedures (the “Qualified Bidders”). For any party who was not deemed to be a Qualified Bidder, the Debtors either provided feedback to that effect with an opportunity to cure any defects, or, as noted previously, the Assets subject to that particular bid were excluded from the auction.

9. On December 1, 2022, the Debtors convened the auction among the Qualified Bidders utilizing a video conferencing platform. The auction was transcribed by a court reporter. In addition to the Qualified Bidders, in attendance at the auction were representatives of and advisors for the ABL Agent and lenders, as well as advisors for the Committee.

10. The Debtors conducted the auction in an open outcry format, proceeding by designated lots. Following bidding on each individual lot, and then bidding on combined lots, the highest and best bid for the Assets was made by Webb Enterprises LLC (“Webb Enterprises”) for a purchase price consisting of: (a) \$2,000,000 for the domain names listed on Schedule 1.1 of its

asset purchase agreement (the “Webb Asset Purchase Agreement”),² the trademarks listed on Schedule 1.1 of the Webb Asset Purchase Agreement and the marketplace accounts and the Assigned Contracts listed on Schedule 1.1 of the Webb Asset Purchase Agreement and certain other intangible assets (the “Webb Intangible Assets”); plus (b) the Inventory Purchase Price, plus (c) payment of Cure Costs, plus (d) \$134,930 for the physical Transferred Assets listed on Appendices 1 and 2 of the Webb Asset Purchase Agreement. The transaction with Webb Enterprises was approved by the Court pursuant to an order entered on December 7, 2022 [Docket No. 420] and closed on December 12, 2022. Pursuant to the Retention Order, by this Declaration, Hilco Streambank seeks payment of fees earned solely on account of the purchase price attributable to the Webb Intangible Assets and is not seeking payment on account of the other assets purchased by Webb Enterprises.

11. The Debtors also designated Ford Medical LLC (“Ford Medical”) as the successful bidder for certain fixtures, furniture and equipment as set forth more fully in its asset purchase agreement, for a purchase price of \$602,028. The transaction with Ford Medical closed on December 8, 2022. Hilco Streambank is not seeking any payment in connection with the Ford Medical transaction.

12. In addition to the sales described above, Hilco Streambank has also assisted the Debtors in closing the following de minimis asset sales:

- i. Assets related to Ethique (Antipodean Consumer Holdings Limited): total gross proceeds of \$2,287,994.86³

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Webb Asset Purchase Agreement.

³ See Docket No. 364. In addition to the “de minimis” sale, Hilco Streambank assisted the Debtors in collecting an account receivable totaling \$1,837,994.86.

- ii. Assets related to Hello Cup: total gross proceeds of \$200,000.00⁴
- iii. Assets related to Pacific Shaving Company: total gross proceeds of \$300,000.00⁵
- iv. Assets related to Farmstead Apothecary: total gross proceeds of \$10,000.00.⁶

13. Hilco Streambank continues to assist the Debtors in negotiating and closing additional asset sales and intends to file a further declaration with respect to compensation earned on account of those transactions following their notice, as applicable, and closings.

Calculation of Amounts Payable to Hilco Streambank

14. Compensation. Pursuant to the Engagement Letter, Hilco Streambank is entitled to a commission (the "Commission") upon the sale of the Assets equal to:

- i. 10% of the amount of aggregate Gross Proceeds⁷ up to and including \$1 million; plus
- ii. 15% of the amount of aggregate Gross Proceeds between \$1 million and \$2.5 million; plus
- iii. 20% of the amount of aggregate Gross Proceeds greater than \$2.5 million.

Pursuant to the Retention Order, Hilco Streambank is not entitled to a Commission with respect to the sale of inventory or furniture, fixtures, or equipment, and by this Declaration, Hilco Streambank does not seek payment on account of the sale of inventory or furniture, fixtures or equipment.

⁴ See Docket No. 322.

⁵ See Docket No. 384.

⁶ See Docket No. 389.

⁷ Capitalized terms used in this section but not defined herein shall have the respective meanings ascribed to them in the Engagement Letter.

15. The aggregate Gross Proceeds of the sales achieved on behalf of the Debtors to date with respect to the Assets are as follows:

Transaction	Intangible Asset Gross Proceeds
Webb Enterprises	\$2,000,000.00
Ethique	\$2,287,994.86
Hello Cup	\$200,000.00
Pacific Shaving	\$300,000.00
Farmstead Apothecary	\$10,000.00
TOTAL	\$4,797,994.86

Accordingly, the Commission attributable to such amount is 10% of \$1,000,000 (.1 x \$1,000,000 = \$100,000), plus 15% of \$1,500,000 (.15 x \$1,500,000 = \$225,000), plus 20% of \$2,297,994.86 (.2 x \$2,297,994.86 = \$459,598.97), which equals \$784,598.97 (\$100,000 + \$225,000 + \$459,598.97 = \$784,598.97).

16. Out-of-Pocket Expenses. Under the Engagement Letter, Hilco Streambank shall be reimbursed for its reasonable, customary, and documented expenses up to a maximum amount of \$5,000. In connection with the engagement to date, Hilco Streambank has incurred actual, reasonable out-of-pocket expenses as follows:⁸

- a. \$500.00 in connection with the establishment and maintenance of an online data room, which is charged at a flat rate per the Engagement Letter; and
- b. \$2,245.91 in connection with expenses associated with traveling to and from the auction for certain of the assets and lodging related thereto; and
- c. \$492.00 in connection with expenses associated with traveling to and from Delaware related to the hearing to approve the sales to Webb Enterprises and Ford Medical.

17. By this Declaration, Hilco Streambank seeks approval of the Commission (\$784,598.97) and out-of-pocket expenses (\$3,237.91) to be paid by the Debtors.

⁸ See Exhibit A for expense breakdown. Receipts for expenses are available upon request.

18. The fees and costs that are the subject of this Declaration constitute a legitimate administrative expense in these proceedings payable from the proceeds of the sale of the Assets.

19. No agreement exists to share the compensation sought with any other individual or entity.

WHEREFORE, Hilco Streambank hereby respectfully requests approval of compensation for professional services rendered to the Debtors in the sum of \$784,598.97 and reimbursement of actual and necessary expenses incurred in the sum of \$3,237.91.

Dated this 15th day of December, 2022.

Hilco IP Services, LLC d/b/a Hilco Streambank.

By /s/ *Richelle Kalnit*

Richelle Kalnit
Senior Vice President
Hilco Streambank
1500 Broadway, 26th Floor
New York, NY 10036

EXHIBIT A

Expense Item	Amount	Professional Incurring Expense
Car Home from Auction	\$176.40	Richelle Kalnit
Cab To Auction	\$14.14	Jordon Parker
Cab From Auction	\$16.28	Jordon Parker
Meals (Auction)	\$64.14	Gabe Fried
Lodging (Auction)	\$1,538.00	Gabe Fried
Transportation to/from Auction	\$436.95	Gabe Fried
Train to Delaware (Sale Hearing)	\$236.00	Richelle Kalnit
Train Home from Delaware (Sale Hearing)	\$236.00	Richelle Kalnit
Cab – Delaware Train Station to Potter Anderson office (Sale Hearing)	\$20.00	Richelle Kalnit
Data Room	\$500.00	Hilco Streambank
TOTAL	\$3,237.91	