

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

In re:)	
Pack Liquidating, LLC, <i>et al.</i> , ¹)	Chapter 11
)	Case No. 22-10797 (CTG)
)	(Jointly Administered)
Debtors.)	Objection Deadline: May 22, 2023 at 4:00 p.m. (ET)
)	Re: Docket No. 250

**SECOND 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 the above-captioned debtors and debtors in possession (the “Debtors”) advisor 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 (the “Retention Order”, Docket No. 250).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number include Pack Liquidating, LLC (6932); GV Liquidating LLC (1513); PM Liquidating, LLC (6006); PP Liquidating, LLC (6676); PV Liquidating, LLC (1172); and AB Liquidating, LLC (8582). The location of the Debtors’ service address in these chapter 11 cases is c/o Cooley LLP, 55 Hudson Yards, New York, New York, 10001.

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. On December 15, 2022, I filed the *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)* (the “First Declaration”, Docket No. 436).

4. The statements made in the First Declaration are hereby restated and incorporated by reference.

5. 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

6. In connection with its engagement by the Debtors, Hilco Streambank worked 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. The First Declaration identified Hilco Streambank’s activities performed on behalf of the Debtors in connection with this engagement.

The Sales of the Debtors' Assets, Including Intangible Assets

7. Prior to and since the filing of the First Declaration, Hilco Streambank has engaged with multiple interested parties who have expressed interest in certain of the Assets.

8. Since the filing of the First Declaration, Hilco Streambank has also assisted the Debtors in closing the following asset sales:

- i. Assets related to Patafoods (Amara): total gross proceeds of \$200,000.00.²
- ii. Assets related to Tradeswell: total gross proceeds of \$200,000.00.³
- iii. Assets related to The Others Beauty: total gross proceeds of \$143,477.00.⁴
- iv. Assets related to Mycelium: total gross proceeds of \$66,000.00.⁵
- v. Assets related to Theraplex: total gross proceeds of \$48,000.00.⁶
- vi. Assets related to Q River (Mum & You): total gross proceeds of \$40,109.55.⁷
- vii. Assets related to Gold Medal (Run Gum): total gross proceeds of \$40,000.00.⁸
- viii. Assets related to Beekeeper's Naturals: total gross proceeds of \$20,000.00.⁹
- ix. Assets related to Pulleez: total gross proceeds of \$10,000.00.¹⁰

² See Docket No. 621.

³ See Docket No. 439.

⁴ See Docket Nos. 641 and 675.

⁵ See Docket Nos. 482, 483 and 484.

⁶ See Docket Nos. 640 and 669.

⁷ See Docket No. 501.

⁸ See Docket No. 438.

⁹ See Docket No. 738.

¹⁰ See Docket No. 437.

- x. Assets related to Luna Pharmaceuticals (Premama): total gross proceeds of \$10,000.00.¹¹
- xi. Assets related to Peter Marcus Paradigm (Goodwipes): total gross proceeds of \$10,000.00.¹²

9. While I believe that substantially all of the transactions that can be consummated separate and apart from one or more remnant sales have been consummated, to the extent that Hilco Streambank assists the Debtors in negotiating and closing additional asset sales, Hilco Streambank will file a further declaration with respect to compensation earned on account of any such transactions following their notice, as applicable, and closings.

Calculation of Amounts Payable to Hilco Streambank

10. 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 Proceeds¹³ 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.

¹¹ See Docket No. 518.

¹² See Docket No. 524.

¹³ Capitalized terms used in this section but not defined herein shall have the respective meanings ascribed to them in the Engagement Letter.

11. The aggregate Gross Proceeds of the sales achieved on behalf of the Debtors since the filing of the First Declaration with respect to the Assets are as follows:¹⁴

Transaction	Intangible Asset Gross Proceeds
Patafoods (Amara)	\$200,000.00
Tradeswell	\$200,000.00
The Others Beauty	\$143,477.00
Mycelium	\$66,000.00
Theraplex	\$48,000.00
Q River (Mum & You)	\$40,109.55
Gold Medal (Run Gum)	\$40,000.00
Beekeeper's Naturals	\$20,000.00
Pulleez	\$10,000.00
Luna Pharmaceuticals (Premama)	\$10,000.00
Peter Marcus Paradigm, LLC (Goodwipes)	\$10,000.00
TOTAL	\$787,586.55

Accordingly, the Commission attributable to such amount set forth herein is 20%¹⁵ of \$787,586.55 ($.2 \times \$787,586.55 = \$157,517.31$), which equals \$157,517.31.

12. 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 since the filing of the First Declaration, Hilco Streambank has incurred actual, reasonable out-of-pocket expenses as follows:¹⁶

- a. \$59.93 - renewal of Theraplex.com domain registration on behalf of the Debtors.

¹⁴ Hilco Streambank has been previously paid for commissions totaling \$784,598.97 and expenses totaling \$3,237.91, as set forth more fully in the First Declaration.

¹⁵ Because the Gross Proceeds attributable to the sales of Assets collectively totals more than \$2.5 million, the Commission attributable to the Gross Proceeds from the sales of Assets identified herein is at the 20% level.

¹⁶ A receipt for the expense is available upon request.

13. By this Declaration, Hilco Streambank seeks approval of the Commission (\$157,517.31) and out-of-pocket expenses (\$59.93) to be paid by the Debtors.

14. 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.

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

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WHEREFORE, Hilco Streambank hereby respectfully requests approval of compensation for professional services rendered to the Debtors in the sum of \$157,517.31 and reimbursement of actual and necessary expenses incurred in the sum of \$59.93.

Dated this 11th day of May, 2023.

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