

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

In re:

SALT LIFE BEVERAGE, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 24-11468 (LSS)

(Jointly Administered)

Re: Docket No. 145

NOTICE OF SUCCESSFUL BIDDERS AND BACKUP BIDDERS

PLEASE TAKE NOTICE that pursuant to the *Order (I) Approving Bid Procedures in Connection with the Potential Sale of the Debtors' Assets, (II) Scheduling an Auction and a Sale Hearing, (III) Approving the Form and Manner of Notice Thereof, (IV) Authorizing the Debtors to Enter into one or More Stalking Horse Agreements, (V) Approving Bid Protections, (VI) Approving Procedures for the Assumption and Assignment of Contracts and Leases, and (VII) Granting Related Relief* [Docket No. 145] entered by the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) on July 26, 2024 (the “**Bid Procedures Order**”):² (i) the Bid Deadline was August 21, 2024, at 4:00 p.m. (ET); and (ii) in the event of more than one Qualified Bids, an Auction would be conducted on August 27, 2024.

PLEASE TAKE FURTHER NOTICE that pursuant to the Bid Procedures Order, the Debtors designated FCM Saltwater Holdings, Inc. (“**FCM**”) as the Stalking Horse Purchaser for

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Salt Life Beverage, LLC, a Delaware limited liability company (8436), Delta Apparel, Inc., a Georgia corporation (8794), Salt Life, LLC, a Georgia limited liability company (6136), M. J. Soffe, LLC, a North Carolina limited liability company (2056), Culver City Clothing Company, a Georgia corporation (4619), DTG2Go, LLC, a Georgia limited liability company (6498), and Salt Life Beverage Management, LLC, a Delaware limited liability company (7886). The location of the Debtors’ headquarters and mailing address is 2750 Premiere Parkway, Suite 100, Duluth, Georgia 30097.

² Capitalized terms used but not otherwise defined in this notice shall have the meanings ascribed to them in the Bid Procedures Order.

the Salt Life Assets. No Stalking Horse Purchaser was designated for the Non-SL Assets. Under the Bid Procedures Order, the Salt Life Stalking Horse Bid submitted by FCM is deemed to be a Qualified Bid.

PLEASE TAKE FURTHER NOTICE that the Debtors also received a joint Qualified Bid for the Salt Life Assets from Iconix International, Inc. and Hilco Merchant Resources, LLC (“**Iconix/Hilco**”).

PLEASE TAKE FURTHER NOTICE that the Debtors received Qualified Bids for certain of the Non-SL Assets related to the Soffe brand (the “**Soffe Assets**”) from Renfro, LLC (“**Renfro**”) and NG Labs, Inc. (“**NG Labs**”).

PLEASE TAKE FURTHER NOTICE that the Debtors received a Qualified Bid from Fanatics, LLC (“**Fanatics**”) for 1,289,168 units of “Fanatics neck pre-labeled blanks” in the inventory of Debtor DTG2Go, LLC (the “**DTG2Go Assets**”).

PLEASE TAKE FURTHER NOTICE that the Debtors received a Qualified Bid from L&L Wings, Inc. (“**L&L**”) to purchase the leases for two Salt Life retail locations: (a) 207 Main St., Huntington Beach, CA 92648; and (b) 157 Avenida Del Mar, San Clemente, CA 92672 that neither FCM nor Iconix/Hilco seek to have assigned as part of their Qualified Bids (the “**SL California Leases**” and, together, with the Salt Life Assets, Soffe Assets, and DTG2Go Assets, the “**Assets**”).

PLEASE TAKE FURTHER NOTICE that the Debtors conducted a virtual auction (the “**Auction**”) on August 27, 2024 for the Assets. At the conclusion of the Auction, and after

consultation with the Consultation Parties, the Debtors selected the following Successful Bidders and Backup Bidders and their respective Successful Bids and Backup Bids³ for the Assets:

<u>Assets</u>	<u>Successful Bidder</u>	<u>Successful Bid</u>	<u>Backup Bidder</u>	<u>Backup Bid</u>
Salt Life Assets	Iconix/Hilco	\$38,740,000.00 ⁴	FCM	\$37,000,000.00
Soffe Assets	Renfro	\$15,300,000.00	NG Labs	\$15,100,000.00
DTG2Go Assets	Fanatics	\$257,833.60	N/A	N/A
SL California Leases	L&L	\$150,000.00	N/A	N/A

PLEASE TAKE FURTHER NOTICE that any interested Contract Counterparty can obtain information regarding the ability of a Successful Bidder or a Backup Bidder (other than the Salt Life Stalking Horse Bidder) to provide adequate assurance of future performance under its applicable Contract by contacting Debtors' counsel set forth below, as provided in the Bid Procedures Order.

PLEASE TAKE FURTHER NOTICE that the Debtors will seek entry of orders approving the sales of the Assets to the respective Successful Bidders (and approving the Backup Bids from the Backup Bidders) pursuant to the terms of the Successful Bids at the Sale Hearing, which is scheduled to be held before the Honorable Laurie Selber Silverstein, at the U.S. Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801 on September 5, 2024 at 2:00 p.m. (prevailing Eastern Time), or at such time thereafter as counsel may be heard or at such other time as the Bankruptcy Court may determine.

[Signature page follows]

³ Except as noted immediately below, the stated amounts of the Successful Bids and Backup Bids consist of the Base Cash Prices as set forth in the applicable Asset Purchase Agreements, as modified on the record during the Auction, and do not include additional non-cash consideration provided by the Bidders as set forth therein.

⁴ The Iconix/Hilco Successful Bid amount is comprised of \$35,940,000.00 in cash and a reduction of the Net A/R Target in the Asset Purchase Agreement from \$8,408,000.00 to \$5,408,000 for which Iconix/Hilco was credited a value of \$2,800,000.00.

Dated: August 28, 2024
Wilmington, Delaware

Respectfully submitted,

POLSINELLI PC

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