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BANKRUPTCY

Charming Charlie Seeks to Sell Its Intellectual Property

Bankrupt retailer is closing its remaining stores but looking for a buyer for trademarks, customer lists and social media accounts



Bankrupt retailer Charming Charlie Holdings is looking for a buyer for its intellectual property assets. PHOTO: RICHARD B. LEVINE/ZUMA PRESS

By **Becky Yerak**

Aug. 26, 2019 3:55 pm ET

As Charming Charlie Holdings Inc. closes its remaining stores, the retailer believes there is still a market for its trademarks, customer lists and other intellectual property.

The women's accessories and clothing company, which last month filed for bankruptcy for the second time in less than two years, is seeking permission in bankruptcy court to hire Hilco IP Services LLP to sell assets that also include domain names and social media accounts.

Judge Christopher Sontchi has scheduled a hearing on the request next month in U.S. Bankruptcy Court in Wilmington, Del.

Charming Charlie entered its most recent bankruptcy with \$82 million in debt. It said it planned to close its remaining 261 stores by the end of August. The company projected last month that its stores' going-out-of-business sales would generate revenue of roughly \$30 million.

Charming Charlie had stopped online sales by the time it filed for bankruptcy, though it maintains a website.

Hilco IP, which does business under the name Hilco Streambank, has also sold intellectual property for retailers that include Wet Seal LLC, Sports Authority Holdings Inc., Ritz Camera & Image LLC and RadioShack Corp., according to Hilco's David Peress, its principal in the case.

Hilco Streambank's website said the trademarks for sale are Charming Charlie, Belle & Bumble and Charlie Girl, as well as their related domain names. Customer data comprises 6.8 million email addresses and 3 million snail-mail addresses.

Patents and proprietary software will also be among the assets marketed, along with social media accounts.

Charming Charlie's Facebook, Pinterest and Twitter accounts have 1.3 million, 108,000 and 33,000 likes or followers, respectively.

Charming Charlie plans to pay a commission to Hilco based on a percentage of gross proceeds generated from the sale, licensing or other disposition of the intellectual property, a court filing said.

The commission will be 7.5% for proceeds up to \$500,000, plus 12.5% of proceeds in excess of \$500,000 up to \$2 million, plus 15% of proceeds above \$2 million. Hilco can also receive expense reimbursements.

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