

CW ABC

A Delaware Series Limited Liability Company Assignment for the Benefit of Creditors Services

Via Electronic Delivery

August 18, 2020

Re: Auction of Clearwater Direct Intellectual Property and Inventory

Dear Sir/Madam,

Please be advised that **CW ABC, a Delaware Series LLC** (“Assignee”) hereby announces the sale of the intellectual property and inventory assets of **Coldwater Direct, LLC, CWC Direct Parent LLC, CWC Direct LLC and CWC Stores LLC** (collectively, the “CWC Companies”).

About the CWC Companies and Assets to be Sold:

The CWC Companies have each executed a General Assignment for the Benefit of Creditors under Delaware law in favor of Assignee on July 24, 2020 and the Petition and General Assignments were filed with the Court of Chancery in Delaware. On July 31, 2020, the Delaware Court of Chancery entered an Order on Petition for Assignment for the Benefit of Creditors, asserting jurisdiction over the Petition pursuant to 10 Del. C. §§7381, et seq. (the “ABC Proceeding”).

The CWC Companies operated a multi-channel retailer offering merchandise through retail stores across the country and an e-commerce website operating under the “Coldwater Creek” brand name. Assignee will sell all of the CWC Companies’ right, title and interest in their intellectual property, inventory assets, blocks, fitting forms and pattern, catalogue library, fabric library, patterns library and “best sellers” library (collectively, the “Assets”) in connection with the ABC Proceeding.

Assignee filed a Motion to Approve (I) Procedures for Asset Sales; (II) Distribution of Proceeds and (III) Related Relief on August 7, 2020 (the “Motion”). On August 14, 2020 Assignee entered into a stalking horse asset purchase agreement with Newtimes Development Limited (the “Stalking Horse Bidder”) to sell all of the Assets (the “Stalking Horse APA”).

Assignee intends to sell the Assets to the Stalking Horse Bidder subject to receipt of an acceptable overbid(s). An auction process will be conducted by Assignee pursuant to the Motion and subject to the terms of the Stalking Horse APA.

The Assets are being offered for sale at auction (i) as a single lot with an initial bid of \$8,000,000 plus an initial overbid amount of \$100,000; and (ii) as two lots consisting of the (1) Intellectual Property and Intellectual Property Related Assets, as more fully described in the Stalking Horse APA (the “IP Lot”), with an initial bid of \$7,500,000 plus an initial overbid of \$100,000 and (2) the Inventory and Inventory Related Assets as more fully described in the Stalking Horse APA (the “Inventory Lot”), with the initial bid of \$500,000 plus an initial overbid of \$50,000.

Parties interested in information about participating in the auction should contact DSI at the contact information listed below. Any party interested in receiving information about the Assets for the purpose of evaluating their participation in the sale process will be asked to sign a non-disclosure agreement with Assignee.

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10 South LaSalle Street, Suite 3300 • Chicago, Illinois 60603 • Telephone: 312.263.4141 • Fax: 312.263.1180 • www.DSIAssignments.com

August 18, 2020

Page 2

All bids must be received by no later than 5:00 p.m., Eastern Time on August 24, 2020 (the “Bid Deadline”). Other than as expressly set forth in the Stalking Horse APA, all of the Assets will be sold at the auction on an “as is, where is” basis without representation or warranties.

Any overbid of the current stalking horse bid must be for the minimum overbid purchase price and include a deposit in the amount of ten (10%) of the purchase price. Assignee will promptly review any bids that are received and determine whether any such bids are qualified overbids to the Stalking Horse APA. In the event that Assignee receives a qualified bid or bids with an aggregate purchase price of at least \$8,100,000, Assignee will conduct an auction for the Assets. Only qualified competing bidders will be permitted to attend the auction.

Assignee reserves the right to revise the terms of sale prior to the beginning of the auction. Assignee reserves the right to cancel or postpone the sale.

Please refer to the Public Notice of Asset Sale and a draft Asset Purchase Agreement for additional details:

<https://www.dsiassignments.biz/Cases/126>

For more information regarding the Assignment for the Benefit of Creditors of the CWC Companies and the Assets being sold, or to request a copy of the form Asset Purchase Agreement, please contact agents for the Assignee, Steven Victor (svictor@dsiconsulting.com) at (773) 230-4016 or Geoff Berman (gberman@dsiconsulting.com) at (562) 714-6866.

The Assignee is represented by Klehr Harrison Harvey Branzburg LLP; Richard Beck (RBeck@klehr.com) (302) 552-5501, Domenic Pacitti (DPacitti@klehr.com) (302) 552-5511 and Michael Rittinger (MRittinger@Klehr.com) (215) 569-3399.

Very truly yours,



Steven L. Victor
Authorized Representative
CW ABC, A Delaware Series Limited Liability Company
Solely in Its Capacity as Assignee for the Benefit of Creditors of
CWC Direct Parent LLC, a Delaware Limited Liability Company;
|WC Direct LLC, a Delaware Limited Liability Company;
Coldwater Direct LLC, a Delaware Limited Liability Company;
and CWC Stores LLC a Delaware Limited Liability Company

c/o Development Specialists, Inc.
10 South LaSalle St., Suite 3300
Chicago, IL 60603
(312) 263-4141 (office)
(773) 230-4016 (mobile)
www.DSIconsulting.com

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