

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

In re:)	
)	Chapter 11
BEAUTY BRANDS, LLC, <i>et al.</i>)	
)	Case No. 19-10031 (CSS)
Debtors. ¹)	
)	Jointly Administered

NOTICE OF SALE, BIDDING PROCEDURES, AUCTION, AND SALE HEARING

PLEASE TAKE NOTICE OF THE FOLLOWING:

On January 6, 2019, Beauty Brands, LLC and its debtor affiliates in the above-captioned chapter 11 cases (collectively, the “Debtors”) filed with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) a motion [Docket No. 16] (the “Motion”) for the entry of (a) an order (the “Bidding Procedures Order”)² (i) scheduling a hearing (the “Sale Hearing”) on approval of the proposed sale (the “Sale”) of all or substantially all of the Debtors’ assets, with the exception of the 23 Closing Stores that are subject to that certain *Agency Agreement* dated January 3, 2019 with Hilco Merchant Resources, LLC (collectively, the “Assets”), free and clear of all liens, claims, encumbrances, and other interests (collectively, the “Encumbrances”), except certain permitted Encumbrances as determined by the Debtors and the Successful Bidder (as defined below), and authorizing the potential assumption and assignment of certain executory contracts and unexpired leases (each, an “Potentially Assumed Contract” and, collectively, the “Potentially Assumed Contracts”) in connection therewith; (ii) authorizing and approving certain bidding procedures for the Sale, substantially in the form attached to the Bidding Procedures Order as Exhibit 1 (collectively, the “Bidding Procedures”), authorizing and approving certain procedures for the potential assumption and assignment of the Potentially Assumed Contracts (collectively, the “Assumption and Assignment Procedures”), authorizing and approving certain bid protections for the Stalking Horse Purchaser, and the form and manner of notice of each of the foregoing; and (iii) granting related relief; and (b) an order (the “Sale Order”) (i) authorizing and approving the Sale, free and clear of all Encumbrances, except certain permitted Encumbrances as determined by the Debtors and the Successful Bidder; (ii) authorizing and approving the assumption and assignment of the Selected Assumed Contracts in connection therewith; and (iii) granting related relief.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Beauty Brands, LLC (0290); Beauty Brands Payroll Holdings, Inc. (6218); and Beauty Brands Payroll, LLC (1789). The location of the Debtors’ corporate headquarters is 4600 Madison Avenue, Suite 400, Kansas City, MO 64112.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Bidding Procedures Order and the Bidding Procedures, as applicable. Any summary of the Bidding Procedures or the Bidding Procedures Order contained herein is qualified in its entirety by the actual terms and conditions thereof. To the extent that there is any conflict between any such summary and such actual terms and conditions, the actual terms and conditions shall control.

On January 23, 2019, the Bankruptcy Court entered the Bidding Procedures Order [Docket No. 128].

Stalking Horse Bid and Description of the Assets

A stalking horse bid for the Assets has been submitted by Absolute Beauty, LLC (the “Stalking Horse Purchaser”, and its bid, the “Stalking Horse Bid”). The Stalking Horse Purchaser has executed that certain *Asset Purchase Agreement* dated January 22, 2019 (as amended, supplemented, or otherwise modified by the parties thereto, the “Stalking Horse APA”) to purchase the Transferred Assets (including the Business as a going concern and the Assumed Contracts) (all as defined in the Stalking Horse APA). Among other things, the Transferred Assets include the Debtors’ distribution center and 23 of the Core Stores as set forth on Schedule B to the Stalking Horse APA.

The Stalking Horse Bid is subject to higher or otherwise better offers submitted in accordance with the terms and provisions of the Bidding Procedures.

A party may submit a bid for any individual Asset or combination of Assets in accordance with the terms and provisions of the Bidding Procedures, whether or not such Assets are included in the Stalking Horse APA.

IMPORTANT DATES AND DEADLINES

- **Bid Deadline.** Any person or entity interested in participating in the Auction must submit a Qualified Bid (as defined in the Bidding Procedures) to the Notice Parties (as identified in the Bidding Procedures) on or before **February 4, 2019 at 12:00 p.m. (prevailing Eastern Time)** (the “Bid Deadline”).
- **Auction.** An Auction for the Assets has been scheduled for **February 7, 2019 at 9:00 a.m. (prevailing Eastern Time)** and, if necessary, will be conducted at the offices of Ashby & Geddes, 500 Delaware Avenue, 8th Floor, Wilmington, Delaware 19801.
- **Sale Objection Deadlines.** Objections to a proposed Sale, including any objection to the sale of any of the Assets free and clear of liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code and/or entry of a Sale Order must be (i) filed in accordance with the Bidding Procedures, (ii) filed with the Bankruptcy Court, and (iii) served on (a) proposed counsel to the Debtors, Ashby & Geddes, 500 Delaware Avenue, 8th Floor, Wilmington, DE 19801 (Attn: Gregory A. Taylor, Esq.; gtaylor@ashbygeddes.com); (b) proposed counsel to the Official Committee of Unsecured Creditors, Kelley Drye & Warrant LLP, 101 Park Avenue, New York, NY 10178 (Attn: Eric Wilson, Esq.; ewilson@kelleydrye.com) and Saul Ewing Arnstein & Lehr LLP, 1201 N. Market Street, Suite 2300, Wilmington, DE 19801 (Attn: Lucian Murley, Esq.; luke.murley@saul.com); (c) counsel to PNC Bank, National Association, Blank Rome, 1201 N. Market Street, Suite 800, Wilmington, DE 19801 (Attn: Regina Stango Kelbon, Esq.; kelbon@blankrome.com); (d) the Office of the United States

Trustee for the District of Delaware, 855 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: Linda Casey, Esq.; Linda.Casey@usdoj.gov); and (e) counsel to the Stalking Horse Purchaser, Kirkland & Ellis, LLP, 601 Lexington Avenue, New York, NY 10022 (Attn: Joshua Sussberg, Esq.; joshua.sussberg@kirkland.com and Gene Goldmintz, Esq.; gene.goldmintz@kirkland.com) (collectively, the “Objection Notice Parties”) by no later than **February 6, 2019 at 4:00 p.m. (prevailing Eastern Time) (prevailing Eastern Time)**.

- **Sale Hearing**. The Sale Hearing shall be held on **February 12, 2019 at 11:00 a.m. (prevailing Eastern Time)**. The Sale Hearing shall take place before The Honorable Christopher S. Sontchi at the Bankruptcy Court, 824 N. Market Street, 5th Floor, Courtroom No. 6, Wilmington, Delaware 19801.

Additional Information

Any party interested in submitting a bid for the Assets should contact the Debtors’ Chief Restructuring Officer, Timothy Boates at (256) 776-4989 or tboates@rasmanagement.com and/or the Debtors’ proposed counsel, Gregory Taylor, Esq. at (302) 654-1888 or gtaylor@ashbygeddes.com.

Copies of the Motion, the Bidding Procedures Order, the Bidding Procedures, and the Stalking Horse APA may be obtained free of charge at the website dedicated to the Debtors’ chapter 11 cases maintained by their claims and noticing agent, Donlin, Recano & Company, Inc., located at <http://www.donlinrecano.com/beautybrands>.

FAILURE TO ABIDE BY THE BIDDING PROCEDURES, THE BIDDING PROCEDURES ORDER, OR ANY OTHER ORDER OF THE BANKRUPTCY COURT IN THESE CHAPTER 11 CASES MAY RESULT IN THE REJECTION OF YOUR BID.

THE FAILURE OF ANY PERSON OR ENTITY TO FILE AND SERVE AN OBJECTION IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER BY THE APPLICABLE SALE OBJECTION DEADLINE SHALL FOREVER BAR SUCH PERSON OR ENTITY FROM ASSERTING ANY OBJECTION TO THE MOTION, SALE ORDER, THE PROPOSED SALE, OR THE DEBTORS’ CONSUMMATION OF THE STALKING HORSE APA OR ANY OTHER ASSET PURCHASE AGREEMENT EXECUTED BY THE DEBTORS AND A SUCCESSFUL BIDDER AT THE AUCTION.

Dated: January 23, 2019
Wilmington, Delaware

ASHBY & GEDDES

/s/ Stacy L. Newman

Gregory A. Taylor (No. 4008)
Stacy L. Newman (No. 5044)
Katharina Earle (No. 6348)
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and Debtors-in-Possession*