

Notice of Asset Sale

Online-focused Footwear Retailer



Transaction Overview

The assets of an online-focused footwear retailer are being offered for sale (the name of which will be provided upon execution of an NDA, hereafter “Shoe Retailer”). Prior to the Covid-19 Pandemic, Shoe Retailer had over \$100 million in revenues and operated 70 retail store locations, supported by a 50,000 sq. ft. distribution center and corporate offices in Southern California. However, as a result of the pandemic, Shoe Retailer has repositioned itself primarily as an online footwear retailer, with \$11 million in 2022 revenue, with the same distribution center and offices. As a result of the disruption caused by the pandemic, Shoe Retailer has determined to liquidate through an orderly sale of its assets.

Onyx Asset Advisors, LLC (“ONYX”) has been retained to conduct a sale process. A stalking horse offer has been received and ONYX is currently soliciting parties to overbid the stalking horse offer. To the extent a qualified overbid is received, an auction will occur. Upon ONYX’s receipt of an executed copy of the attached NDA, interested parties will be given access to a data room, which includes Shoe Retailer’s legal name, financial information, the stalking horse offer and bid procedures.

Sale assets include: specified intangibles, such as Shoe Retailer’s branded consumer website, trade name and related assets, all as more fully defined in the stalking horse offer, as well as inventories, equipment, furniture & trade fixtures.

Process Timeline

1. Due Diligence period – June 24, 2022 to July 22, 2022
2. Qualified Overbid Deadline – 5:00 p.m. (PT), Friday, July 22, 2022
3. Auction – Monday, July 25, 2022
4. Closing – on or before Friday, July 29, 2022

Company Overview

Shoe Retailer is an omnichannel footwear retailer, selling through brick & mortar stores, a branded website and various ecommerce marketplace accounts, including Amazon and Walmart. Its primary merchandise categories are trendy footwear, bags, and accessories, comprising a curated selection of over 25 brands. The company's customer base is 65% female and 35% male, mostly aged 12-30. By revenue, the company's top-performing states are CA, TX, FL, NY, and WA.

Shoe Retailer's inventory is adaptable and distributed in all sales channels, including proprietary direct website and marketplace accounts. The company has over ten years of experience on the marketplace channels and is a top-rated seller on Amazon, having exceptional customer reviews and ratings.

Shoe Retailer continues to operate its 50,000-square-foot distribution center and its nearby 10,000-square-foot office in support of its various online operations and two remaining retail stores. Shoe Retailer currently has 50 employees. The company uses a suite of enterprise software solutions to analyze the following areas: inventory, purchasing, profit analysis, product discovery, replenishment, order allocation, fulfillment, pricing optimization, and marketing.

On-Site Due Diligence / Inspections (warehouse and office)

Available Dates: Wednesday, July 6 & Thursday, July 7, 2022
 Wednesday, July 13 & Thursday, July 14, 2022

IMPORTANT LEGAL NOTICE:

The information in this memorandum does not constitute the whole or any part of an offer or a contract, nor does it purport to contain all information that may be required or relevant to a recipient's evaluation of any transaction and recipients will be responsible for conducting their own investigations and analysis.

The information contained in this memorandum relating to the assets has been supplied by Shoe Retailer. It has not been independently investigated or verified by ONYX, its agents or any other party.

Potential purchasers should not rely on any information contained in this memorandum or provided by Shoe Retailer or ONYX (or their respective staff, agents, and attorneys) in connection herewith, whether transmitted orally or in writing as a statement, opinion, or representation of fact. Interested parties should satisfy themselves through independent investigations as they or their legal and financial advisors see fit.

Shoe Retailer and ONYX and their respective officers, directors, staff, agents, and attorneys, (i) disclaim any and all implied warranties concerning the truth, accuracy, completeness and reasonableness of any information provided in connection herewith and (ii) do not accept liability for the information provided in connection herewith, including information contained in this memorandum, whether that liability arises by reason of Shoe Retailer's or ONYX's negligence or otherwise.

Any sale of the assets will be made on an "as-is, where-is," and "with all faults" basis, without any warranties, representations, or guarantees, either express or implied, of any kind, nature, or type whatsoever from, or on behalf of Shoe Retailer or Onyx. Without limiting the generality of the foregoing, Shoe Retailer or ONYX and their respective officers, directors, staff, agents, and attorneys, hereby expressly disclaim any and all implied warranties concerning the condition of the Assets and any portions thereof, including, but not limited to, environmental conditions, compliance with any government regulations or requirements and the implied warranties of habitability, merchantability, or fitness for a particular purpose.

Except as otherwise noted, this memorandum and information provided within the Data Room or from any other source, speaks as of the date hereof. The delivery of this memorandum should not and does not create any implication that there has been no change in the business and affairs of Shoe Retailer since such date. Neither Shoe Retailer nor ONYX, or their respective staff, officers, directors, agents and attorneys, undertakes any obligation to update any information contained herein.

This memorandum contains confidential information and is not to be provided to any person without ONYX's prior written consent.