

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

In re:	:	Chapter 11
	:	
FTD Companies, Inc., <u>et al.</u> , ¹	:	Case No. 19-11240 (LSS)
	:	
Debtors.	:	(Jointly Administered)
	:	

**NOTICE OF SALE, BIDDING PROCEDURES, AUCTION,
SALE HEARING AND OTHER DEADLINES RELATED THERETO**

PLEASE TAKE NOTICE OF THE FOLLOWING:

On June 6, 2019, FTD Companies, Inc. and its debtor affiliates as debtors and debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases") filed with the United States Bankruptcy Court for the District of Delaware (the "Court") a motion [Docket No. 82] (the "Motion") seeking entry of (a) an order (the "Bidding Procedures Order") (i) approving bidding procedures (the "Bidding Procedures")² to be used in connection with one or more sales (each, a "Sale Transaction") of substantially all of the Debtors' assets (the "Assets"); (ii) authorizing the Debtors to enter into one or more asset purchase agreements with one or more "stalking horse" bidders (each such agreement, a "Stalking Horse Agreement" and, each such bidder, a "Stalking Horse Bidder," and the bid of any such Stalking Horse Bidder, a "Stalking Horse Bid") and to provide certain bidding protections, including an expense reimbursement and a break-up fee, to any Stalking Horse Bidder in connection therewith; (iii) scheduling an auction of the Assets (the "Auction") and a final hearing to consider approval of any proposed Sale Transactions (the "Sale Hearing"); (iv) approving the form and manner of notice of the Bidding Procedures, the Auction and the Sale Hearing; (v) approving procedures for the assumption and assignment of executory contracts and unexpired leases (collectively, the "Contracts") in connection with any Sale Transaction; (vi) approving the form and manner of notice to each relevant non-debtor counterparty to a Contract of the Debtors' calculation of the

¹ The Debtors are the following 15 entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): FTD Companies, Inc. (5852); Bloom That, Inc. (9936); Florists' Transworld Delivery, Inc. (6960); FlowerFarm, Inc. (2852); FSC Denver LLC (7104); FSC Phoenix LLC (7970); FTD, Inc. (1271); FTD.CA, Inc. (7556); FTD.COM Inc. (4509); FTD Group, Inc. (9190); FTD Mobile, Inc. (7423); Giftco, LLC (5832); Provide Cards, Inc. (3462); Provide Commerce LLC (0019); and Provide Creations, Inc. (8964). The Debtors' noticing address in these chapter 11 cases is 3113 Woodcreek Drive, Downers Grove, IL 60515.

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion or the Bidding Procedures, as applicable. Any summary of the Bidding Procedures or the Bidding Procedures Order (or any provision thereof) contained herein is qualified in its entirety by the actual terms and conditions thereof. To the extent that there is any inconsistency between any summary in this Sale Notice and the terms and conditions of either of the Bidding Procedures or the Bidding Procedures Order, the actual terms and conditions in those documents shall control.

amount necessary to cure any defaults under an applicable Contract and certain other information regarding the potential assumption and assignment of Contracts in connection with a Sale Transaction; and (vii) granting related relief; and (b) one or more orders (each, a "Sale Order") (i) authorizing one or more Sale Transactions for a sale of the Assets free and clear of all liens, claims, interests and encumbrances, except certain permitted encumbrances as determined by the Debtors and any Successful Bidder (as defined below) for the applicable Assets, with liens to attach to the proceeds of the applicable Sale Transaction; (ii) authorizing the assumption and assignment of certain Contracts in connection with approved Sale Transactions; and (iii) granting related relief.

On June 25, 2019, the Court entered the Bidding Procedures Order [Docket No. 201].

ASSETS FOR SALE

The Debtors are seeking to sell substantially all of their Assets, including the following:

A. The FTD Assets

- FTD.com, the business unit held by Debtor FTD.COM Inc. ("FTD.com"); and
- the florist business segment held by Debtor Florists' Transworld Delivery, Inc. (together with FTD.com, the "FTD Assets").

B. The Provide Businesses

- the Restructured ProFlowers Business (as defined in the Motion) which is operated by Debtor Provide Commerce LLC ("Provide Commerce");
- the Gourmet Foods business (including Shari's Berries) ("Gourmet Foods"), which is operated by Provide Commerce; and
- the Personal Creations business (including Gifts.com) ("Personal Creations" and, together with the Restructured ProFlowers Business and Gourmet Foods, the "Provide Businesses"), which is operated by Debtor Provide Creations, Inc.

Interested parties may bid on all or any combination of the Assets, subject to the conditions set forth in the Bidding Procedures.

Any party interested in submitting a bid for any of the FTD Assets should contact the Debtors' investment banker for the FTD Sale Process, Moelis & Company LLC, 300 North LaSalle, Suite 5300, Chicago, Illinois 6054 10022 (Attn: Ken Viellieu (Ken.Viellieu@moelis.com) and Steve Bloom (Steve.Bloom@moelis.com)).

Any party interested in submitting a bid for any of the Provide Businesses should contact the Debtors' investment banker for the Provide Sale Process, Piper Jaffray & Co., at the following addresses: (i) 2321 Rosecrans Avenue, Suite 3200, El Segundo, California 90245

(Attn: Teri Stratton (Teri.L.Stratton@pjc.com)) and (ii) 444 West Lake Street, 33rd Floor, Chicago, Illinois 60606 (Attn: Jean Hosty (Jean.E.Hosty@pjc.com)).

STALKING HORSE AGREEMENTS

On June 19, 2019, the Debtors entered into an asset purchase agreement with Gateway Mercury Holdings, LLC ("Gateway"), for the sale of the FTD Assets and the Restructured ProFlowers Business for an aggregate purchase price of approximately \$95 million (the "Gateway Stalking Horse Agreement"). On June 24, 2019, the Debtors filed with the Court the *Motion of the Debtors for Entry of an Order (I) Authorizing the Debtors to Provide Bidding Protections in Accordance with the Bidding Procedures and the Gateway Stalking Horse Agreement and (II) Granting Related Relief* [Docket No. 185] (the "Gateway Stalking Horse Motion"), pursuant to which the Debtors seek authority to provide Gateway with certain standard bidding protections, including an expense reimbursement in an amount not to exceed \$1.5 million and a break-up fee of \$2.14 million, which, when taken together, equal approximately 4.2% of the gross cash proceeds the Debtors expect to realize upon a closing of the Gateway Sale Transaction.

On June 23, 2019, the Debtors entered into an asset purchase agreement with each of (i) Farids & Co. LLC ("Farids") for the sale of the Gourmet Foods business (including Shari's Berries) for an aggregate purchase price of approximately \$6 million (the "Farids Stalking Horse Agreement") and (ii) PlanetArt LLC ("PlanetArt") for the sale of the Personal Creations business (including Gifts.com) for an aggregate purchase price of approximately \$18.1 million (the "PlanetArt Stalking Horse Agreement").

On June 24, 2019, the Debtors filed with the Court (i) the *Motion of the Debtors for Entry of an Order (I) Authorizing the Debtors to Provide Bidding Protections in Accordance with the Bidding Procedures and the Farids Stalking Horse Agreement and (II) Granting Related Relief* [Docket No. 186] (the "Farids Stalking Horse Motion"), pursuant to which the Debtors seek authority to provide Farids with certain standard bidding protections, including an expense reimbursement in an amount not to exceed \$125,000 and a break-up fee of \$137,500, which, when taken together, equal approximately 4.4% of the purchase price; and (ii) the *Motion of the Debtors for Entry of an Order (I) Authorizing the Debtors to Provide Bidding Protections in Accordance with the Bidding Procedures and the PlanetArt Stalking Horse Agreement and (II) Granting Related Relief* [Docket No. 187] (the "PlanetArt Stalking Horse Motion" and, together with the Gateway Stalking Horse Motion and the Farids Stalking Horse Motion, the "Stalking Horse Motions"), pursuant to which the Debtors seek authority to provide PlanetArt with certain standard bidding protections, including an expense reimbursement in an amount not to exceed \$181,000 and a break-up fee of \$543,000, which, when taken together, equal approximately 4% of the purchase price.

A hearing to consider the relief requested in the Stalking Horse Motions is scheduled to be held before the Court on July 2, 2019. Subject to the Court's entry of an order granting each of the Gateway Stalking Horse Motion, the Farids Stalking Horse Motion and the PlanetArt Stalking Horse Motion, respectively, (i) each of the (A) the Gateway bid for the FTD Assets and the Restructured ProFlowers Business, as reflected in the Gateway Stalking Horse Agreement, (B) Farid's bid for Gourmet Foods, as reflected in the Farids Stalking Horse Agreement and

(C) PlanetArt's bid for Personal Creations, as reflected in the PlanetArt Stalking Horse Agreement, is a "Stalking Horse Bid," as such term is used in the Bidding Procedures; (ii) each of the Gateway Stalking Horse Agreement, the Farids Stalking Horse Agreement and the PlanetArt Stalking Horse Agreement is a "Stalking Horse Agreement," as such term is used in the Bidding Procedures; and (iii) each of Gateway, Farids and PlanetArt is a "Stalking Horse Bidder," as such term is used in the Bidding Procedures.

KEY DATES AND DEADLINES

A. Bid Deadline

Any Prospective Bidder that intends to participate in the Auction must submit in writing to the Bid Notice Parties (as defined in Section X.A of the Bidding Procedures) a Qualified Bid (as defined in Section VI.C of the Bidding Procedures) on or before **July 15, 2019, at 4:00 p.m. (prevailing Eastern Time)** (the "Bid Deadline"). The Debtors may extend the Bid Deadline for all or certain Prospective Bidders in a manner consistent with the terms of the Bidding Procedures.

The Qualified Bid requirements are set forth in Sections IV, V and VI of the Bidding Procedures.

B. Auction

If the Debtors receive more than one Qualified Bid for an Asset, the Debtors will conduct an Auction for such Asset. With respect to Assets for which the Debtors receive only one Qualified Bid by the Bid Deadline, the Debtors may determine to consummate a Sale Transaction with the applicable Qualified Bidder or include such Assets in the Auction; provided, that, if a Stalking Horse Bid is the only Qualified Bid received in respect of Stalking Horse Assets (as defined in Section VI.A.4 of the Bidding Procedures), the Debtors will not conduct an Auction for such Stalking Horse Assets and will seek approval of any such Stalking Horse Bid at an applicable Sale Hearing.

Prior to the Auction, the Debtors will make a determination regarding the Assets and/or combinations of Assets for which the Debtors will conduct an Auction (each such Asset or group of Assets, an "Auction Package"). The Debtors may determine to include an individual Asset in more than one Auction Package.

The Auction, if required, will be conducted on **July 22, 2019, at 10:00 a.m. (prevailing Central Time)**, at the offices of Jones Day, 77 West Wacker, Chicago, Illinois 60601, or at such other time and location as designated by the Debtors, in accordance with the Bidding Procedures.

One day after the conclusion of the Auction, the Debtors will file with the Court, serve on the Sale Notice Parties (as defined in Section X.B of the Bidding Procedures) and cause to be published on the website maintained by Omni Management Group, Inc., the Debtors' claims and noticing agent in these Chapter 11 Cases, located at www.omnimgt.com/FTD (the "Omni Website"), a notice setting forth the results of the Auction (the "Notice of Auction Results"), which will (i) identify the bidder that submitted the highest or best bid for each Auction Package

(each such bidder, a "Successful Bidder" and, each such bid, a "Successful Bid"); (ii) identify the bidder that submitted the next highest or next best bid after the Successful Bid for each Auction Package (each such bidder, a "Backup Bidder" and, each such bid, a "Backup Bid"); (iii) include a copy of each Successful Bid and each Backup Bid or a summary of the material terms of such bids, including any assumption and assignment of Contracts contemplated thereby; and (iv) set forth the Supplemental Sale Objection Deadline (as defined below) and the date, time and location of the Sale Hearing and any other relevant dates or other information necessary to reasonably apprise parties in interest of the outcome of the Auction.

C. Objection Deadlines

1. Sale Objection Deadline. Objections to a sale of the Assets, including (a) any objection to a sale of the Assets free and clear of all liens, claims, interests and encumbrances pursuant to section 363(f) of the Bankruptcy Code and (b) entry of any Sale Order must (i) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof; and (ii) be filed with the Court and served on the Objection Notice Parties (as defined in Section X.D of the Bidding Procedures) by no later than **July 16, 2019, at 4:00 p.m. (prevailing Eastern Time)**.
2. Supplemental Sale Objection Deadline. Following service of the Notice of Auction Results, parties may object to the particular terms of a proposed Sale Transaction in a Successful Bid. Any Supplemental Objection must (a) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof; and (b) be filed with the Court and served on the Objection Notice Parties by no later than **the later of (i) July 26, 2019, at 4:00 p.m. (prevailing Eastern Time) and (ii) three business days prior to the Sale Hearing** (the "Supplemental Sale Objection Deadline").

D. Sale Hearing

The Sale Hearing shall take place on **July 31, 2019, at 11:00 a.m. (prevailing Eastern Time)** before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, located at 824 N. Market Street, Wilmington, Delaware 19801.

RESERVATION OF RIGHTS TO MODIFY BIDDING PROCEDURES

The Debtors reserve the right to, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law, and after consulting with the Consultation Parties (as defined in Section XI of the Bidding Procedures), modify the Bidding Procedures, including to, among other things, extend or waive deadlines or other terms and conditions set forth therein; adopt new rules and procedures for conducting the bidding and Auction process so long as any such modifications are disclosed to all Prospective Bidders and Qualified Bidders, as applicable; if applicable, provide reasonable accommodations to a Stalking Horse Bidder; or otherwise modify the Bidding Procedures to further promote competitive bidding for and maximizing the of value of the Assets, in each case, to the extent not materially

inconsistent with the Bidding Procedures, the Bidding Procedures Order or any applicable Stalking Horse Agreement.

ADDITIONAL INFORMATION

Copies of the Motion, the Bidding Procedures Order, the Bidding Procedures and the Stalking Horse Motions may be obtained free of charge by visiting the Omni Website.

FAILURE TO ABIDE BY THE BIDDING PROCEDURES, THE BIDDING PROCEDURES ORDER OR ANY OTHER APPLICABLE ORDER OF THE COURT ENTERED IN THESE CHAPTER 11 CASES MAY RESULT IN THE REJECTION OF YOUR BID AND YOUR DISQUALIFICATION FROM PARTICIPATING IN THE BIDDING FOR AND AUCTION OF ANY OF THE DEBTORS' ASSETS.

THE FAILURE OF ANY PERSON OR ENTITY TO FILE AND SERVE AN OBJECTION IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER, INCLUDING THE FAILURE TO FILE ANY SUCH OBJECTION BY THE APPLICABLE OBJECTION DEADLINE, SHALL FOREVER BAR SUCH PERSON OR ENTITY FROM ASSERTING, AT THE SALE HEARING OR THEREAFTER, ANY SUCH OBJECTION TO THE RELIEF REQUESTED IN THE MOTION, THE CONSUMMATION OF ANY APPLICABLE SALE TRANSACTION, INCLUDING THE SALE OF ANY ASSETS TO A SUCCESSFUL BIDDER FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES PURSUANT TO SECTION 363(f) OF THE BANKRUPTCY CODE OR THE TERMS OF ANY STALKING HORSE AGREEMENT OR OTHER ASSET PURCHASE AGREEMENT EXECUTED BY THE DEBTORS.

Dated: June 26, 2019
Wilmington, Delaware

/s/ Brett M. Haywood

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PROPOSED ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION