

## *Furniture Today*

# **UPDATE: Court approves liquidator's bid for Robb & Stucky**

## **Will likely lead to shutdown of high-end retailer**

**By Clint Engel -- Furniture Today, March 8, 2011**

TAMPA, Fla. - A U.S. Bankruptcy Court here approved the sale of high-end retailer Robb & Stucky to liquidators Hudson Capital and Hyperams Tuesday in a deal likely to lead to the shutdown of the Top 100 company.

Hudson Capital and Hyperams were the stalking horse and only validated bidder at an auction that wrapped up early this morning.

But the fate of the 20-store retailer may not be sealed just yet, and a smaller Robb & Stucky could emerge from the process with lender and liquidator approval. Dan Lubner, president of the Fort Myers, Fla.-based retailer's hospitality division and son of CEO Clive Lubner, said he had been working with two investor groups for an enterprise sale but "we just didn't have the time."

Since then, he said he understands an order was submitted to the court by interested investors wanting to carve out a smaller, surviving operation.

"My understanding is this would be subject to the approval of the lenders, creditors' committee, and Hudson," Lubner said. He declined to name the investors and the document was not immediately available.

When asked about the number or identify of stores that could be preserved, Lubner said he believes it is open-ended.

Meanwhile, the liquidation of all stores under Hudson is expected to begin Thursday, he added.

Robb & Stucky, which has full-line and patio stores in Florida, Las Vegas, Plano, Texas, and Scottsdale, Ariz., filed for Chapter 11 bankruptcy protection Feb. 18. It struck what was then a tentative deal with Hudson and Hyperams to serve as agent for liquidation of substantially all assets, subject to better offers at the auction.

According to the agreement, the bidder would to pay 75.2% of the value of the inventory. The break-up fee under the agreement is \$475,000.

**John Young, senior managing director of consultant and turnaround specialist Conway Mackenzie in Houston, who was not involved in the Robb & Stucky case, estimated that the**

retailer's inventory would bring in about \$31.5 million to the estate under the agreement. It's unclear what unsecured industry creditors will recover, since the retailer's largest secured lenders are owed nearly \$35 million.

"This company deserves to be around, and it's devastating that it came to this," Lubner said. "I don't think any of us believed it would happen. Several of the models we were building out were showing a profitable enterprise.

"And beyond the numbers, this is the most talented staff this industry has ever seen - from the designers who have won hundreds of interior and design awards to the logistics to the support to the senior management, Clive Lubner and Fred Berk."

Dan Lubner said he has been inspired by the unwavering support of Robb & Stucky's vendors - the unsecured creditors - both before and throughout the bankruptcy process. He said that even now, the company remains committed to being there for the vendors, clients and employees, and noted that Hudson is acquiring the inventory, not the company or the name.

"There's only one way there will ever be a company as great as Robb & Stucky and that's if and when Clive decides to rebuild it again," he said.

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