Barneys close to sale to Authentic Brands after rival bid fails

October 24, 2019

Luxury retailer Barneys New York Inc is close to being sold to licensing firm Authentic Brands Group LLC after a competing bid from a trade show executive failed to qualify for a bankruptcy auction, people familiar with the matter said on Thursday.

Authentic Brands had agreed with Barneys to be its so-called stalking horse buyer, setting the floor for other offers. Now that a bid from Israeli businessman Samuel Ben-Avraham has failed, Barneys plans to cancel an auction scheduled for Monday, the people said.

Barneys did not immediately respond to a request for comment. Ben-Avraham, who owns fashion trade shows and was a co-founder of streetwear retailer Kith, declined to comment.

An eleventh-hour bidder may still show up, the sources said, asking not to be identified because they were not authorized to speak to the media.

Authentic Brands’ $271 million offer for Barneys is expected to close on Oct. 31, the brand development company said in a prepared statement. Its plan for Barneys includes shops within existing Saks Fifth Avenue locations.

“We look forward to proceeding with our plans for Barneys as we continue the closing process,” Authentic Brands said. “Our goal is to preserve and build upon Barneys’ legacy and evolve it for the future.”

Authentic Brands, which owns Nine West and Juicy Couture, will also keep certain Barneys brick-and-mortar locations open depending on negotiations with landlords.

A cultural touchstone for generations of New Yorkers and followers of fashion, Barneys faced the possibility of having to wind down its business altogether.

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The retailer filed for bankruptcy in August citing rent hikes as a factor. The chain is one of the most high-profile victims of distress in brick-and-mortar retail, which face significant competition from e-commerce websites.