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Anchor Blue Files Bankruptcy (Again), Only Going to Honor Gift Cards and Accept Returns Until January 17th

Anchor Blue, Inc. and [Anchor Blue Holding Corp.](#) filed for chapter 11 bankruptcy protection today in Delaware with plans to complete going-out-of-business sales at all of its 117 stores and liquidate. Today's chapter 11 filing is the companies' second such filing in less than two years. The company was formerly known for its Miller's Outpost branded stores, as well as for operating a chain of Levi's and Dockers outlet stores (which were sold in the first chapter 11 cases).

[Court filings](#) reveal that Anchor Blue has already selected a joint venture of Gordon Brothers Retail Partners, LLC and Hilco Merchant Resources, LLC to run the going-out-of-business sales and liquidate the retail stores. According to [court documents seeking authority to assume](#) Anchor Blue's agency agreement with the Gordon Brothers/Hilco joint venture and complete the store closings, the joint venture was the winning bidder at an auction held on January 5th where three competing bidders participated. A joint venture of SB Capital Group, LLC, Great American Group, LLC, Hudson Capital Partners, LLC, and Tiger Capital Group, LLC had provided a stalking horse bid, but was ultimately outbid by Gordon Brothers/Hilco after ten rounds of competitive bids. Gordon Brothers/Hilco actually began the going-out-of-business sales at all of Anchor Blue's stores late last week. The store closing sales are expected to be completed by February 28, 2011.

[Bankruptcy court filings](#) also reveal that, unlike many retail bankruptcies, Anchor Blue only intends to honor its customer obligations for a very limited period. Specifically, it has requested court authority to only accept outstanding gift cards until January 17, 2011 (next Monday) and to only honor its customer return policies until the same date. As of this morning, Anchor Blue estimated that it had approximately \$1 million in outstanding gift cards. [Court filings](#) do not disclose the aggregate retail value of goods that are still eligible to be returned, but do state that Anchor Blue's historical return rate is approximately 3.2% of all goods sold. Additionally, all goods being sold as part of the going-out-of-business sales (which began January 6th) have been sold on an "all sales final" basis, according to Anchor Blue.

Anchor Blue is being represented in the bankruptcy cases by the law firms of Morgan, Lewis & Bockius LLP and Young, Conaway, Stargatt & Taylor LLP. Anchor Blue's financial advisor is FTI Consulting.



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Key court filings to date include (click on the title of any document for more information or to purchase):

- [Chapter 11 Voluntary Petition](#)
- [Affidavit in Support of First Day Motions \[Declaration of Thomas A. Shaw\] Filed By Anchor Blue Holding Corp.](#)
- [Motion to Authorize and Approve \(i\) Assumption of Agency Agreement, \(ii\) Continued Store Closing Sales, \(iii\) Granting of Lien to Agent, \(iv\) Abandonment of Property, \(v\) Payment of a Break-Up Fee, and \(vi\) Other Related Relief Filed by Anchor Blue Holding Corp.. \(Attachments: # 1 Exhibit A# 2 Exhibit B# 3 Exhibit C\)](#)
- [Motion to Continue Customer Programs on a Temporary Basis Filed By Anchor Blue Holding Corp. \(Attachments: # 1 Exhibit A\)](#)
- [Motion to Approve Use of Cash Collateral Pursuant to 11 U.S.C. § 363 and Grant of Adequate Protection Pursuant to 11 U.S.C. §§ 363 and 364 and \(ii\) Scheduling a Final Hearing Thereon Filed By Anchor Blue Holding Corp.](#)
- [Motion to Pay Employee Wages and Continue Certain Employee Obligations in the Ordinary Course Postpetition and Authorizing and Directing Financial Institutions to Honor All Related Checks and Electronic Payment Requests Filed By Anchor Blue Holding Corp. \(Attachments: # 1 Exhibit A\)](#)
- [Motion to Allow Administrative Priority Status for Undisputed Obligations to Vendors Arising From the Postpetition Delivery or Receipt of Goods Ordered Prepetition and Authorizing the Debtors to Pay Such Obligations in the Ordinary Course of Business Filed by Anchor Blue Holding Corp.. \(Attachments: # 1 Exhibit A\)](#)
- [Motion to Authorize the Debtors to Pay Prepetition Amounts Owed to Common Carriers and Customs Brokers Filed by Anchor Blue Holding Corp.. \(Attachments: # 1 Exhibit A\)](#)
- [List of Creditors Filed by Anchor Blue Holding Corp.](#)

For access to all major pleadings filed in this case, please visit http://www.chapter11cases.com/Anchor-Blue-Holding-Corp2011_c_17189.html