

BARINGTON/HILCO ACQUISITION CORP.
Form 10-Q
June 15, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2018

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-36832

BARINGTON/HILCO ACQUISITION CORP.

(Exact name of registrant as specified in its charter)

Delaware **47-1455824**
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification Number)

10990 Wilshire Blvd., Penthouse

90024

Los Angeles, CA

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(310) 734-1310**

N/A

(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
(Do not check if a smaller reporting company)	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of June 14, 2018, there were 2,246,236 shares of the Company's common stock issued and outstanding.

TABLE OF CONTENTS

<u>PART I. FINANCIAL INFORMATION</u>	1
<u>ITEM 1. FINANCIAL STATEMENTS</u>	1
<u>Condensed Balance Sheets</u>	1
<u>Condensed Statements of Operations</u>	2
<u>Condensed Statements of Cash Flows</u>	3
<u>Notes to Condensed Financial Statements</u>	4
<u>ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	8
<u>ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	10
<u>ITEM 4. CONTROLS AND PROCEDURES</u>	11
<u>PART II. OTHER INFORMATION</u>	11
<u>ITEM 1. LEGAL PROCEEDINGS</u>	11
<u>ITEM 1A. RISK FACTORS</u>	11
<u>ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	11
<u>ITEM 3. DEFAULTS UPON SENIOR SECURITIES</u>	11
<u>ITEM 4. MINE SAFETY DISCLOSURES</u>	11
<u>ITEM 5. OTHER INFORMATION</u>	11
<u>ITEM 6. EXHIBITS</u>	12
<u>SIGNATURES</u>	13

PART I - FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****BARINGTON/HILCO ACQUISITION CORP.****Condensed Balance Sheets**

	March 31, 2018	December 31, 2017
	(Unaudited)	
ASSETS		
Current Assets		
Cash	\$ 128,812	\$ 2,820
Prepaid expenses	6,417	833
Total Current Assets	135,229	3,653
Cash and marketable securities held in Trust Account	9,345,988	14,846,465
TOTAL ASSETS	\$9,481,217	\$ 14,850,118
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	\$ 2,156,751	\$ 2,159,118
Promissory notes – related parties	485,183	485,183
Advance from third party	425,000	425,000
Advance from related party	300,000	—
Total Liabilities	3,366,934	3,069,301
Commitments and Contingencies		
Common stock subject to possible redemption, 105,008 and 646,625 shares at redemption value as of March 31, 2018 and December 31, 2017, respectively	1,114,282	6,780,816
Stockholders' Equity		
Preferred stock, \$0.0001 par value; 1,000,000 authorized, none issued and outstanding	—	—
Common stock, \$0.0001 par value; 11,000,000 shares authorized; 2,141,228 and 2,137,415 shares issued and outstanding (excluding 105,008 and 646,625 shares subject to possible redemption) as of March 31, 2018 and December 31, 2017,	214	214

respectively

Additional paid-in capital	7,862,935	7,831,780
Accumulated deficit	(2,863,148)	(2,831,993)
Total Stockholders' Equity	5,000,001	5,000,001
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$9,481,217	\$14,850,118

The accompanying notes are an integral part of the condensed financial statements.

BARINGTON/HILCO ACQUISITION CORP.

Condensed Statements of Operations

(Unaudited)

	Three Months Ended March 31,	
	2018	2017
Operating costs	\$60,700	\$103,723
Loss from operations	(60,700)	(103,723)
Other income:		
Interest income	29,545	40,097
Net Loss	\$(31,155)	\$(63,626)
Weighted average shares outstanding, basic and diluted ⁽¹⁾	2,137,415	1,891,460
Basic and diluted net loss per common share	\$(0.01)	\$(0.03)

⁽¹⁾ Excludes an aggregate of up to 105,008 and 2,842,485 shares subject to redemption at March 31, 2018 and 2017, respectively.

The accompanying notes are an integral part of the condensed financial statements.

BARINGTON/HILCO ACQUISITION CORP.**Condensed Statements of Cash Flows****(Unaudited)**

	Three Months Ended March 31,	
	2018	2017
Cash Flows from Operating Activities:		
Net loss	\$(31,155)	\$(63,626)
Adjustments to reconcile net loss to net cash used in operating activities:		
Interest earned on Trust Account	(29,545)	(40,097)
Changes in operating assets and liabilities:		
Prepaid expenses	(5,584)	(44,533)
Accounts payable and accrued expenses	(2,367)	5,760
Net cash used in operating activities	(68,651)	(142,496)
Cash Flows from Investing Activities:		
Investment of cash held in Trust Account	(105,357)	(169,094)
Cash withdrawn from Trust Account	5,635,379	9,389,959
Net cash provided by investing activities	5,530,022	9,220,865
Cash Flows from Financing Activities:		
Advances from third party	—	170,000
Advance from related party	300,000	—
Proceeds from promissory notes – related parties	—	35,000
Redemption of common stock	(5,635,379)	(9,305,588)
Net cash used in financing activities	(5,335,379)	(9,100,588)
Net Change in Cash	125,992	(22,219)
Cash - Beginning	2,820	22,271
Cash - Ending	\$128,812	\$52
Supplemental disclosure of noncash investing and financing activities:		
Change in value of common stock subject to possible redemption	\$31,155	\$63,626

The accompanying notes are an integral part of the condensed financial statements.

BARINGTON/HILCO ACQUISITION CORP.

NOTES TO CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2018

(Unaudited)

NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

Barington/Hilco Acquisition Corp. (the “Company”) is a blank check company incorporated in Delaware on July 24, 2014. The Company was formed for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination, with one or more businesses or entities (a “Business Combination”).

On April 18, 2018 and May 17, 2018, the Company received a letter from the Listing Qualifications Department of The Nasdaq Stock Market (“NASDAQ”) stating that the Company had not timely filed its Annual Report on Form 10-K for the period ended December 31, 2017 or its Form 10-Q for the period ended March 31, 2018 (the “Filings”). As a result, the Company was not in compliance with NASDAQ Listing Rule 5250(c)(1) (the “Filing Rule”). The Company has 60 calendar days to submit a plan to regain compliance with the Filing Rule. If NASDAQ were to accept the Company’s plan, NASDAQ could grant the Company an extension of up to 180 calendar days from the Filing’s due date, or until October 15, 2018, to regain compliance with the Filing Rule. If NASDAQ does not accept the Company’s plan, the Company will have the opportunity to appeal the decision in front of a NASDAQ Hearings Panel.

On December 29, 2017, the Company’s stockholders approved an extension of the period of time in which the Company is required to consummate a Business Combination until June 30, 2018 (the “Extension Amendment”). The extension is to be implemented in 30-day increments. The number of shares of common stock presented for redemption in connection with the Extension Amendment was 537,804. On January 3, 2018, the Company distributed \$5,635,379, or approximately \$10.48 per share, to redeeming stockholders. In addition, the Company agreed to contribute \$0.04 per share to the Trust Account for each public share that was not converted in connection with the approval of the Extension Amendment, for each 30-day period, or portion thereof, that is needed by the Company to complete a Business Combination from December 31, 2017 through June 30, 2018 (the “Contribution”). On January 4, 2018 and April 23, 2018, the Company deposited an aggregate of \$140,475 into the Trust Account in connection with the Extension Amendment.

On January 3, 2018, the Company, Barington Companies Advisors, LLC (“Barington”), Hilco Global (“Hilco Global”), Hilco Merchant Resources, LLC (“HMR” and, together with Hilco Global, collectively, “Hilco”), and certain additional

parties, including members of the board of directors of the Company (together with Barington and Hilco, the “Sellers”), entered into an agreement (the “Oreva Agreement”) with Sweiss Ventures, LLC, a Nevada limited liability company (“Sweiss”), JSE Holdings, LLC, a New York limited liability company (“JSE”), BAG Spac 1, LLC, a Delaware limited liability company (“BAG”), PLA99, LLC, a Delaware limited liability company (“PLA”), and Oreva Partners, LLC, a Delaware limited liability company (“Oreva” and together with Sweiss, JSE, BAG and PLA, the “Investors”).

Pursuant to the Oreva Agreement, the Sellers agreed to transfer to the Investors an aggregate of (a) 1,035,767 shares of Common Stock of the Company, and (b) an aggregate of 142,500 warrants to purchase an additional 71,250 shares of Common Stock (collectively, the “Transferred Securities”). The 1,035,767 shares of Common Stock included in the Transferred Securities represented 96.5% of an aggregate of 1,073,267 insider promoter shares of Common Stock of the Company owned of record and beneficially by the Sellers (the “Insider Shares”). Under the Oreva Agreement, the Sellers retained an aggregate of (i) 285,000 shares of Common Stock and associated rights, which entitle a holder to receive one-tenth (1/10) of a share of Common Stock (the “Rights”), and (ii) 37,500 promotional shares of Common Stock that were issued to directors, officers and a consultant of the Company as compensation for their services to the Company.

In consideration for their receipt of the Transferred Securities and its affiliates obtaining control of the board of directors of the Company, the Investors and its affiliates and associates (collectively, the “Investor Group”) agreed to use its and their best efforts to locate and consummate, on or prior to the June 30, 2018, a Business Combination for the Company acceptable to the Company’s stockholders. In addition, the Investors paid on behalf of the Company, or reimbursed the Sellers for, (i) \$154,000, representing three months payment required by the Company for the Extension Amendment, and other accrued fees and expenses, and agreed pay to approximately \$59,229 in additional documented Company expenses within 30 days. The Investors also agreed to assume responsibility for all ongoing costs and expenses of the Company, including, without limitation, payments associated with the Extension Amendment and costs and expenses associated with running and maintaining a publicly traded company following the closing of the transactions contemplated by the Agreement.

On February 14, 2018, the Company, Oreva Capital Corp. and an entity formed by Oreva, Pop G Food Holdings Corp. (“PopG”) entered into a letter of intent (the “LOI”) with SBH and Papa Gino’s, Inc. The parties agreed that until February 28, 2018 (the “Exclusivity Period”), none of the parties nor their affiliates would seek to consummate a sale or purchase transaction with any other person or entity.

Under the terms of the LOI, SBH agreed in principle to sell to Pop G 100% of the capital stock of PGHC Holdings, Inc., a Delaware corporation (the “PGHC”). PGHC is a holding company that owns 100% of the capital stock of Papa Gino’s Holding Corp., a Delaware corporation, which together with its direct and indirect subsidiaries, including Papa Gino’s, Inc., owns, operates and franchises (i) 148 company owned pizzeria restaurants and one venue licensee, under the trade name Papa Gino’s™ and (ii) 93 company owned sandwich restaurants, 31 franchised locations and three venue licensees under the trade name, D’Angelo’s™ ; in each case, throughout New England (collectively, the “Business”).

BARINGTON/HILCO ACQUISITION CORP.

NOTES TO CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2018

(Unaudited)

On or about March 21, 2018, the negotiation of the definitive stock purchase agreement was terminated as the parties were unable to agree upon the final purchase price.

NOTE 2. LIQUIDITY AND GOING CONCERN

As of March 31, 2018, the Company had \$128,812 in its operating bank accounts, \$9,345,988 in cash and marketable securities held in the Trust Account to be used for a Business Combination or to repurchase or convert its common stock in connection therewith and a working capital deficit of \$3,231,705. As of March 31, 2018, approximately \$40,000 of the amount on deposit in the Trust Account represented interest income, which is available for working capital purposes and to pay the Company's tax obligations. To date, the Company has withdrawn an aggregate of \$256,336 of interest from the Trust Account in order to fund working capital requirements.

Until the consummation of a Business Combination, the Company will be using the funds not held in the Trust Account for identifying and evaluating prospective acquisition candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to acquire, and structuring, negotiating and consummating the Business Combination.

The Company will need to raise additional capital through loans or additional investments from its sponsors, stockholders, officers, directors, or third parties. The Company's officers, directors and sponsors may, but are not obligated to, loan the Company funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion, to meet the Company's working capital needs.

None of the sponsors, stockholders, officers or directors, or third parties is under any obligation to advance funds to, or to invest in, the Company. Accordingly, the Company may not be able to obtain additional financing. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction, and reducing overhead expenses. The Company cannot provide any assurance that new financing will be

available to it on commercially acceptable terms, if at all. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X of the Securities and Exchange Commission ("SEC"). Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited condensed financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

The accompanying unaudited condensed financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2017 as filed with the SEC on June 15, 2018, which contains the audited financial statements and notes thereto. The financial information as of December 31, 2017 is derived from the audited financial statements presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. The interim results for the three months ended March 31, 2018 are not necessarily indicative of the results to be expected for the year ending December 31, 2018 or for any future interim periods.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future events. Accordingly, the actual results could differ significantly from those estimates.

BARINGTON/HILCO ACQUISITION CORP.

NOTES TO CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2018

(Unaudited)

Net loss per share

Net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. The Company applies the two-class method in calculating earnings per share. Common stock subject to possible redemption at March 31, 2018 and 2017, which is not currently redeemable and is not redeemable at fair value, has been excluded from the calculation of basic net loss per share since such shares, if redeemed, only participate in their pro rata share of the Trust Account earnings. The Company has not considered the effect of (1) warrants sold in the Initial Public Offering and private placement to purchase 2,294,035 shares of common stock, (2) rights sold in the Initial Public Offering and private placement that convert into 458,807 shares of common stock, and (3) 200,000 shares of common stock, warrants to purchase 100,000 shares of common stock and rights that convert into 20,000 shares of common stock in the unit purchase option sold to the underwriter, in the calculation of diluted loss per share, since the exercise of the warrants and the conversion of the rights into shares of common stock is contingent upon the occurrence of future events. As a result, diluted loss per share is the same as basic loss per share for the periods presented.

NOTE 4. ADVANCE FROM RELATED PARTY

In January 2018, Oreva advanced the Company an aggregate of \$300,000 to be used for working capital purposes. The advances are non-interest bearing, unsecured and due on demand. As of March 31, 2018, advances outstanding amounted to \$300,000.

NOTE 5. COMMITMENTS AND CONTINGENCIES

Registration Rights

Pursuant to a registration rights agreement entered into on February 5, 2015, the holders of the Insider Shares, as well as the holders of the Private Units (and underlying securities) and any shares the Company's sponsors, officers, directors or their affiliates may be issued in payment of working capital loans made to the Company, are entitled to registration rights. The holders of a majority of these securities are entitled to make up to two demands that the Company register such securities. Notwithstanding the foregoing, EarlyBirdCapital, Inc. ("EBC") may only exercise such demand rights on one occasion. The holders of a majority of the Insider Shares can elect to exercise these registration rights at any time commencing three months prior to the date on which these shares of Common Stock are to be released from escrow. The holders of a majority of the Private Units or shares issued in payment of working capital loans made to the Company can elect to exercise these registration rights at any time after the Company consummates a Business Combination. In addition, the holders have certain "piggy-back" registration rights with respect to the registration statements filed subsequent to the consummation of a Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Business Combination Marketing Agreement

The Company has engaged EBC as an advisor in connection with its Business Combination to assist the Company in holding meetings with its stockholders to discuss the potential Business Combination and the target business' attributes, introduce the Company to potential investors that are interested in purchasing the Company's securities, assist the Company in obtaining stockholder approval for the Business Combination and assist the Company with its press releases and public filings in connection with the Business Combination. The Company will pay EBC a cash fee for such services upon consummation of the Business Combination in an amount equal to 4% of the total gross proceeds raised in the Initial Public Offering (exclusive of any applicable finders' fee which might become payable) and the Company has the option to pay up to 25% of the 4% fee with shares of the Company's Common Stock priced at \$10.00 per share.

NOTE 6. STOCKHOLDERS' EQUITY

Preferred Stock - The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of \$0.0001 per share in one or more series. The Company's board of directors will be authorized to fix the voting rights, if any, designations, powers, preferences, the relative, participating, optional or other special rights and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. At March 31, 2018 and December 31, 2017, there are no shares of preferred stock issued or outstanding.

Common Stock - The Company is authorized to issue 11,000,000 shares of common stock with a par value of \$0.0001 per share. Holders of the Company's Common Stock are entitled to one vote for each common share. At March 31, 2018 and December 31, 2017, there were 2,141,228 and 2,137,415 shares of common stock issued and outstanding (excluding 105,008 and 646,625 shares of Common Stock subject to possible redemption), respectively.

BARINGTON/HILCO ACQUISITION CORP.

NOTES TO CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2018

(Unaudited)

NOTE 7. FAIR VALUE MEASUREMENTS

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

- Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a Level 1: market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active Level 2: markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.
- Unobservable inputs based on our assessment of the assumptions that market participants would use in Level 3: pricing the asset or liability.

The following table presents information about the Company's assets that are measured at fair value on a recurring basis at March 31, 2018 and December 31, 2017, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	March 31, 2018	December 31, 2017
Assets:			
Cash and marketable securities held in Trust Account	1	\$9,345,988	\$ 14,846,465

NOTE 8. SUBSEQUENT EVENTS

The Company evaluates subsequent events and transactions that occur after the balance sheet date up to the date that the financial statements were issued. Based upon this review, the Company did not identify subsequent events that would have required adjustment or disclosure in the financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References in this report to “we,” “us” or the “Company” refer to Barington/Hilco Acquisition Corp. References to our “management” or our “management team” refer to our officers and directors, and references to the “Sponsor” refer to holders of our insider shares. The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act that are not historical facts, and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements other than statements of historical fact included in this Form 10-Q including, without limitation, statements in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” regarding the Company’s financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Words such as “expect,” “believe,” “anticipate,” “intend,” “estimate,” “seek” and variations and similar words and expressions intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect management’s current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of the Company’s Annual Report on Form 10-K for the year ending December 31, 2017 filed with the SEC on June 15, 2018. The Company’s securities filings can be accessed on the EDGAR section of the SEC’s website at www.sec.gov. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Overview

We were formed on July 24, 2014 for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more target businesses. We intend to utilize cash derived from the proceeds of our Initial Public Offering and the private placement of the Private Units, our securities, debt or a combination of cash, securities and debt, in effecting a Business Combination.

We expect to continue to incur significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to complete a Business Combination will be successful.

On December 29, 2017, our stockholders approved an extension of the period of time in which we are required to consummate a Business Combination until June 30, 2018 (the “Extension Amendment”). The extension is to be implemented in 30-day increments. The number of shares of common stock presented for redemption in connection with the Extension Amendment was 537,804. On January 3, 2018, we distributed \$5,635,379, or approximately \$10.48 per share, to redeeming stockholders. In addition, we agreed to contribute \$0.04 per share to the Trust Account for each public share that was not converted in connection with the approval of the Extension Amendment, for each 30-day period, or portion thereof, that is needed by us to complete a Business Combination from December 31, 2017 through June 30, 2018 (the “Contribution”). On January 4, 2018 and April 23, 2018, we deposited an aggregate of \$140,475 into the Trust Account in connection with the Extension Amendment.

On January 3, 2018, the Company, Barington Companies Advisors, LLC (“Barington”), Hilco Global (“Hilco Global”), Hilco Merchant Resources, LLC (“HMR” and, together with Hilco Global, collectively, “Hilco”), and certain additional parties, including members of the board of directors of the Company (together with Barington and Hilco, the “Sellers”), entered into an agreement (the “Oreva Agreement”) with Sweiss Ventures, LLC, a Nevada limited liability company (“Sweiss”), JSE Holdings, LLC, a New York limited liability company (“JSE”), BAG Spac 1, LLC, a Delaware limited liability company (“BAG”), PLA99, LLC, a Delaware limited liability company (“PLA”), and Oreva Partners, LLC, a Delaware limited liability company (“Oreva” and together with Sweiss, JSE, BAG and PLA, the “Investors”).

Pursuant to the Oreva Agreement, the Sellers agreed to transfer to the Investors an aggregate of (a) 1,035,767 shares of Common Stock of the Company, and (b) an aggregate of 142,500 warrants to purchase an additional 71,250 shares of Common Stock (collectively, the “Transferred Securities”). The 1,035,767 shares of Common Stock included in the Transferred Securities represented 96.5% of an aggregate of 1,073,267 insider promoter shares of Common Stock of the Company owned of record and beneficially by the Sellers (the “Insider Shares”). Under the Oreva Agreement, the Sellers retained an aggregate of (i) 285,000 shares of Common Stock and associated rights, which entitle a holder to receive one-tenth (1/10) of a share of Common Stock (the “Rights”), and (ii) 37,500 promotional shares of Common Stock that were issued to directors, officers and a consultant of the Company as compensation for their services to the Company.

In consideration for their receipt of the Transferred Securities and its affiliates obtaining control of the board of directors of the Company, the Investors and its affiliates and associates (collectively, the “Investor Group”) agreed to use its and their best efforts to locate and consummate, on or prior to the June 30, 2018, a Business Combination for the Company acceptable to the Company’s stockholders. In addition, the Investors paid on behalf of the Company, or reimbursed the Sellers for, (i) \$154,000, representing three months payment required by the Company for the Extension Amendment, and other accrued fees and expenses, and agreed pay to approximately \$59,229 in additional documented Company expenses within 30 days. The Investors also agreed to assume responsibility for all ongoing costs and expenses of the Company, including, without limitation, payments associated with the Extension Amendment and costs and expenses associated with running and maintaining a publicly traded company following the closing of the transactions contemplated by the Agreement.

On February 14, 2018, the Company, Oreva Capital Corp. and an entity formed by Oreva, Pop G Food Holdings Corp. (“PopG”) entered into a letter of intent (the “LOI”) with SBHand Papa Gino’s, Inc. The parties agreed that until February 28, 2018 (the “Exclusivity Period”), none of the parties nor their affiliates would seek to consummate a sale or purchase transaction with any other person or entity.

Under the terms of the LOI, SBH agreed in principle to sell to Pop G 100% of the capital stock of PGHC Holdings, Inc., a Delaware corporation (the “PGHC”). PGHC is a holding company that owns 100% of the capital stock of Papa Gino’s Holding Corp., a Delaware corporation, which together with its direct and indirect subsidiaries, including Papa Gino’s, Inc., owns, operates and franchises (i) 148 company owned pizzeria restaurants and one venue licensee, under the trade name Papa Gino’s™ and (ii) 93 company owned sandwich restaurants, 31 franchised locations and three venue licensees under the trade name, D’Angelo’s™ ; in each case, throughout New England (collectively, the “Business”).

On or about March 21, 2018, the negotiation of the definitive stock purchase agreement was terminated as the parties were unable to agree upon the final purchase price.

Results of Operations

All activity from inception to March 31, 2018 relates to our formation, our Initial Public Offering and private placement and the identification and evaluation of prospective candidates for a Business Combination. Since the completion of our Initial Public Offering, we have not generated any operating revenues and will not generate such revenues until after the completion of our Business Combination. We generate non-operating income in the form of interest income on cash and marketable securities held in the Trust Account. We expect to incur increased expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

For the three months ended March 31, 2018, we had a net loss of \$31,155, consisting of target identification expenses and operating costs of \$60,700, offset by \$29,545 of interest income on marketable securities held in our Trust Account.

For the three months ended March 31, 2017, we had a net loss of \$63,626, consisting of target identification expenses and operating costs of \$103,723, offset by \$40,097 of interest income on marketable securities held in our Trust Account.

Liquidity and Capital Resources

At March 31, 2018, we had cash and marketable securities held in the Trust Account of \$9,345,988 (including approximately \$40,000 of interest income) consisting of cash and U.S. treasury bills with a maturity of 180 days or less. Interest income on the balance in the Trust Account may be available to us for working capital purposes and to pay taxes. To date, we have withdrawn approximately \$256,000 of interest earned on the Trust Account in order to fund working capital requirements.

On January 3, 2018, we made a payment of \$5,635,379 to the holders of the aggregate of 537,804 shares of common stock presented for redemption in connection with the Extension Amendment.

In January and April 2018, in connection with the Extension Amendment, we deposited an aggregate of \$140,475 into the Trust Account as payment for the extension of time to consummate a Business Combination.

At March 31, 2018, we had cash of \$128,812 held outside the Trust Account. In addition, as of March 31, 2018, we had accounts payable and accrued expenses of \$2,156,751.

For the three months ended March 31, 2018 cash used in operating activities amounted to \$68,651, resulting from a net loss of \$31,155 and interest earned on marketable securities held in the Trust Account of \$29,545. Changes in our operating assets and liabilities used cash of \$7,951.

For the three months ended March 31, 2017, cash used in operating activities amounted to \$142,496, resulting from a net loss of \$63,626, interest earned on cash and marketable securities held in the Trust Account of \$40,097 and changes in our operating assets and liabilities of \$38,773.

We intend to use substantially all of the funds held in the Trust Account (less amounts used for working capital purposes and to pay taxes) to complete our Business Combination. We do not expect the interest earned on the amount in the Trust Account will be sufficient to pay all of our tax obligations. To the extent that our capital stock or debt is used, in whole or in part, as consideration to complete our Business Combination, the remaining proceeds held in the Trust Account will be used as working capital to finance the operations of the target business or businesses, make other acquisitions and pursue our growth strategies.

We intend to use the funds held outside the Trust Account primarily to identify and evaluate target businesses, perform business due diligence on prospective target businesses, travel to and from the offices, plants or similar locations of prospective target businesses or their representatives or owners, structure, negotiate and complete a Business Combination, and to pay taxes to the extent the interest earned on the Trust Account is not sufficient to pay our taxes.

We need to obtain additional financing either to complete our Business Combination or because we become obligated to redeem a significant number of our public shares upon completion of our Business Combination, in which case we may issue additional securities or incur debt in connection with such Business Combination. Subject to compliance with applicable securities laws, we would only complete such financing simultaneously with the completion of our Business Combination. If we are unable to complete a Business Combination because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the Trust Account. In addition, following our Business Combination, if cash on hand is insufficient, we may need to obtain additional financing in order to meet our obligations.

Our sponsors are not under any obligation to advance us funds, or to invest in us. Accordingly, we may not be able to obtain additional financing. If we are unable to raise additional capital, we may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of our business plan, and reducing overhead expenses. We cannot provide any assurance that new financing will be available to us on commercially acceptable terms, if at all. These conditions raise substantial doubt about our ability to continue as a going concern.

Off-balance sheet financing arrangements

We have no obligations, assets or liabilities which would be considered off-balance sheet arrangements. We have not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or purchased any non-financial assets.

Contractual obligations

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. The Company has identified the following critical accounting policy:

Common Stock subject to possible redemption

We account for our common stock subject to possible conversion in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) is classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. Our common stock features certain redemption rights that are considered to be outside of our control and subject to occurrence of uncertain future events. Accordingly, at March 31, 2018 and December 31, 2017, common stock subject to possible redemption is presented at redemption value as temporary equity, outside of the stockholders’ equity section of our balance sheet.

Recent accounting pronouncements

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company’s financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The net proceeds of our Initial Public Offering, the sale of the Private Units and the sale of the over-allotment units held in the Trust Account are invested in U.S. government treasury bills with a maturity of 180 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act which invest only in direct U.S. government treasury obligations. Due to the short-term nature of these investments, we believe there will be no associated material exposure to interest rate risk.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2018. Based upon his evaluation, our Chief Executive Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15 (e) and 15d-15 (e) under the Exchange Act) were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2018 covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

Factors that could cause our actual results to differ materially from those in this report are any of the risks described in our Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on June 15, 2018. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. As of the date of this Report, there have been no material changes to the risk factors disclosed in our Annual Report filed with the SEC, except we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following exhibits are filed as part of this Quarterly Report on Form 10-Q.

Exhibit Number	Description
<u>31*</u>	<u>Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).</u>
<u>32*</u>	<u>Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.</u>
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**BARINGTON/HILCO ACQUISITION
CORP.**

Date: June 15, 2018 By: /s/ Paul Abramowitz
Name: Paul Abramowitz
Title: Chief Executive Officer
(Principal Executive Officer and
Principal Financial and Accounting Officer)