

BARINGTON/HILCO ACQUISITION CORP.
Form 10-Q
May 15, 2017

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
x ACT OF 1934**

For the quarterly period ended March 31, 2017

**..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)

888 Seventh Avenue, 17th Floor

10019

New York, NY

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(212) 974-5710**

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 May 14, 2016, there were 4,750,136 shares of the Company's common stock issued and outstanding.

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

	March 31, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$52	\$22,271
Prepaid expenses	48,439	3,906
Total Current Assets	48,491	26,177
Cash and marketable securities held in Trust Account	34,746,622	43,927,390
TOTAL ASSETS	\$34,795,113	\$43,953,567
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	\$155,323	\$149,563
Advances from third party	170,000	-
Promissory notes – related parties	265,000	230,000
Total Liabilities	590,323	379,563
Commitments and Contingencies		
Common stock subject to possible redemption, 2,842,485 and 3,769,876 shares at redemption value as of March 31, 2017 and December 31, 2016, respectively	29,204,789	38,574,003
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; 1,907,651 and 1,891,460 shares issued and outstanding (excluding 2,842,485 and 3,769,876 shares subject to possible redemption) as of March 31, 2017 and December 31, 2016, respectively	191	189
Additional paid-in capital	5,781,500	5,717,876

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Accumulated deficit	(781,690)	(718,064)
Total Stockholders' Equity	5,000,001	5,000,001
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$34,795,113	\$43,953,567

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,	
	2017	2016
Operating costs	\$ 103,723	\$ 163,574
Loss from operations	(103,723)	(163,574)
Other income:		
Interest income	40,097	15,145
Net Loss	\$(63,626)	\$(148,429)
Weighted average shares outstanding, basic and diluted ⁽¹⁾	1,891,460	1,843,343
Basic and diluted net loss per common share	\$(0.03)	\$(0.08)

⁽¹⁾ Excludes an aggregate of up to 2,842,485 and 3,802,074 shares subject to redemption at March 31, 2017 and 2016, 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,	
	2017	2016
Cash Flows from Operating Activities:		
Net loss	\$(63,626)	\$(148,429)
Adjustments to reconcile net loss to net cash used in operating activities:		
Interest earned on Trust Account	(40,097)	(15,145)
Changes in operating assets and liabilities:		
Prepaid expenses	(44,533)	(19,809)
Accounts payable and accrued expenses	5,760	94,220
Net cash used in operating activities	(142,496)	(89,163)
Cash Flows from Investing Activities:		
Contribution of cash in Trust Account	(169,094)	-
Cash withdrawn from Trust Account	9,389,959	-
Net cash provided by investing activities	9,220,865	-
Cash Flows from Financing Activities:		
Advances from third party	170,000	-
Proceeds from promissory notes – related parties	35,000	-
Redemption of common stock	(9,305,588)	-
Net cash used in financing activities	(9,100,588)	-
Net Change in Cash and Cash Equivalents	(22,219)	(89,163)
Cash and Cash Equivalents - Beginning	22,271	199,436
Cash and Cash Equivalents - Ending	\$52	\$110,273
Supplemental disclosure of noncash investing and financing activities:		
Change in value of common stock subject to possible redemption	\$63,626	\$148,430

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

BARINGTON/HILCO ACQUISITION CORP.

NOTES TO CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2017

(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 (“Business Combination”).

At March 31, 2017, the Company had not yet commenced any operations. All activity through March 31, 2017 relates to the Company’s formation, its initial public offering, which is described below, and identifying a target company for a Business Combination.

On January 3, 2017, the Company received a letter (the “Letter”) from the Listing Qualifications Department of The Nasdaq Stock Market (“NASDAQ”) stating that the Company had not yet held an annual meeting of shareholders within twelve months of the end of the Company’s fiscal year end. As a result, the Company was not in compliance with NASDAQ Listing Rule 5620(a) (the “Annual Meeting Rule”). The Letter is only a notification of deficiency, not of imminent delisting, and had no current effect on the listing or trading of the Company’s securities on NASDAQ.

The Letter states that, under NASDAQ rules, the Company has 45 calendar days to submit a plan to regain compliance with the Annual Meeting Rule. If NASDAQ accepts the Company’s plan, NASDAQ may grant the Company an extension of up to 180 calendar days from the fiscal year end, or until June 29, 2017, to regain compliance with the Annual Meeting 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.

The Company submitted a plan to regain compliance with the Annual Meeting Rule within the required timeframe, pursuant to which the Company noted its intention to hold the annual meeting in connection with a vote of its shareholders to extend the date by which the Company must complete a Business Combination. The Company held the annual meeting on February 10, 2017 (see below).

The registration statement for the Company's initial public offering ("Initial Public Offering") was declared effective on February 5, 2015. The Company consummated the Initial Public Offering of 4,000,000 units ("Units") at \$10.00 per Unit on February 11, 2015, generating gross proceeds of \$40,000,000, which is described in Note 4.

Simultaneously with the closing of the Initial Public Offering on February 11, 2015, the Company consummated the sale of 295,000 Units ("Private Units") at a price of \$10.00 per Unit in a private placement to the Company's sponsors and EarlyBirdCapital, Inc. ("EBC"), generating gross proceeds of \$2,950,000, which is described in Note 5.

Following the closing of the Initial Public Offering, an amount of \$40,800,000 (\$10.20 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the Private Units was placed in a trust account ("Trust Account") and invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "1940 Act"), with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of paragraphs (c)(2), (c)(3) and (c)(4) of Rule 2a-7 of the 1940 Act, as determined by the Company, until the earlier of: (i) the consummation of a Business Combination or (ii) the distribution of the Trust Account as described below.

On February 11, 2015, EBC notified the Company of its election to exercise its over-allotment option to the extent of 293,069 Units. The sale of the additional Units closed on February 18, 2015 at \$10.00 per Unit, generating total gross proceeds of \$2,930,690. Following the closing of the over-allotment, an additional \$2,842,769 of net proceeds was placed in the Trust Account, resulting in \$43,642,769 (approximately \$10.17 per Unit) held in Trust Account.

Transaction costs amounted to \$1,613,722, consisting of \$1,287,921 of underwriting fees and \$325,801 of Initial Public Offering costs. In addition, as of September 30, 2016, cash held outside of the Trust Account amounted to \$50,847.

On February 10, 2017, the Company's stockholders approved to extend the period of time for which the Company is required to consummate a Business Combination until August 11, 2017 (the "Extension Amendment"). This extension of up-to six (6) months has been and is to be implemented in 30-day increments, at the Company's option. The number of shares of common stock presented for redemption in connection with the Extension Amendment was 911,200. The Company distributed \$9,305,588, or approximately, \$10.21 per share, to redeeming stockholders. In addition, the Company has agreed to contribute \$0.025 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 February 11, 2017 through August 11, 2017 (the "Contribution"). To date, the Company has deposited an aggregate of \$253,640 into the Company's Trust Account. The Contribution was paid from funds loaned to the Company by a third party.

BARINGTON/HILCO ACQUISITION CORP.

NOTES TO CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2017

(Unaudited)

The Company's management has broad discretion with respect to the specific application of the net proceeds of its Initial Public Offering and Private Units, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. The Company's Units are listed on the Nasdaq Capital Market ("NASDAQ"). Pursuant to the NASDAQ listing rules, the Company's Business Combination must be with a target business or businesses whose collective fair market value is equal to at least 80% of the balance in the Trust Account at the time of the execution of a definitive agreement for such Business Combination. There is no assurance that the Company will be able to successfully effect a Business Combination.

The Company, after signing a definitive agreement for the acquisition of one or more target businesses or assets, may seek stockholder approval of a Business Combination at a meeting called for such purpose at which stockholders may seek to convert their shares, regardless of whether they vote for or against a Business Combination. In the event that the Company is required to seek stockholder approval in connection with a Business Combination, the Company will proceed with a Business Combination only if the Company has net tangible assets of at least \$5,000,001 upon such consummation and a majority of the outstanding shares that are voted are voted in favor of the Business Combination. In connection with such a vote, the Company will provide its stockholders with the opportunity to convert their shares of common stock upon the consummation of a Business Combination for a pro-rata portion of the amount then in the Trust Account (plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company or necessary to pay its taxes). The Company's sponsors, officers and directors have agreed, in the event the Company is required to seek stockholder approval of its Business Combination, to vote their Insider Shares (as defined in Note 7), shares underlying the Private Units and any public shares held by them, in favor of approving a Business Combination.

The Company initially had until August 11, 2016 to complete a Business Combination. However the IPO offering documents provide that, if the Company anticipates it may not be able to consummate a Business Combination by such date, the Company may extend the period of time to consummate a Business Combination up to two times, each by an additional three months (for a total of up to 24 months to complete a Business Combination).

In order to extend the time available for the Company to consummate a Business Combination, the initial stockholders or their affiliates or designees were required to deposit into the Trust Account \$100,000 prior to the applicable deadline for each three month extension. On August 8, 2016, the Company elected to extend the period of time to consummate a Business Combination for an additional three months ending on November 11, 2016 and, accordingly,

deposited \$100,000 into the Trust Account. In order to fund the deposit, the Company obtained loans in the aggregate amount of \$130,000 from affiliates of its sponsors (see Note 6). Subsequently, on November 10, 2016, the Company elected to extend the period of time to consummate a Business Combination for an additional three months ending on February 11, 2017 and, accordingly, deposited an additional \$100,000 into the Trust Account. In order to fund the second deposit, the Company obtained loans in the aggregate amount of \$100,000 from affiliates of its sponsors (see Note 3). The Company's initial stockholders and their affiliates or designees are not obligated to fund the Trust Account to extend the time for the Company to complete its Business Combination.

In connection with the Extension Amendment approved by the Company's stockholders on February 10, 2017, the Company has until August 11, 2017 (the "Combination Period") to complete a Business Combination.

If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purposes of winding up its affairs; (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem 100% of the outstanding public shares which redemption will completely extinguish such holders' rights as stockholders, including the right to receive further liquidation distributions, if any; and (iii) as promptly as possible following such redemption, subject to the approval of the Company's remaining holders of common stock and the Company's board of directors, dissolve and liquidate the balance of its net assets to its remaining stockholders, as part of the Company's plan of dissolution and liquidation. The Company will pay the costs of any subsequent liquidation from its remaining assets outside of the Trust Account. If such funds are insufficient, certain of the Company's sponsors have agreed to pay the funds necessary to complete such liquidation (in an amount not to exceed \$15,000) and have agreed not to seek repayment for such expenses.

In connection with the redemption of 100% of the Company's outstanding public shares for a portion of the funds held in the Trust Account, each holder will receive a full pro rata portion of the amount then in the Trust Account, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company for its working capital requirements or necessary to pay the Company's taxes payable. Holders of rights and warrants will receive no proceeds in connection with the liquidation with respect to such rights and warrants, which will expire worthless.

NOTE 2. LIQUIDITY AND GOING CONCERN

As of March 31, 2017, the Company had \$52 in its operating bank accounts, \$34,746,622 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 \$541,832. As of March 31, 2017, 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. In February 2017, the Company withdrew \$84,371 of interest from the Trust Account in order to fund working capital requirements.

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MARCH 31, 2017

(Unaudited)

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 10 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, 2016 as filed with the SEC on March 30, 2017, which contains the audited financial statements and notes thereto. The financial information as of December 31, 2016 is derived from the audited financial statements presented in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016. The interim results for the three months ended March 31, 2017 are not necessarily indicative of the results to be expected for the year ending December 31, 2017 or for any future interim periods.

Emerging growth company

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended, (the “Securities Act”), as modified by the Jumpstart Our Business Startups Act of 2012, (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company’s financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

BARINGTON/HILCO ACQUISITION CORP.

NOTES TO CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2017

(Unaudited)

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.

Cash and cash equivalents

The amounts held in the Trust Account represent substantially all of the proceeds of the Initial Public Offering and proceeds from loans and are classified as restricted assets since such amounts can only be used by the Company in connection with the consummation of a Business Combination.

Cash and marketable securities held in Trust Account

The amounts held in the Trust Account represent substantially all of the proceeds of the Initial Public Offering and are classified as restricted assets since such amounts can only be used by the Company in connection with the consummation of a Business Combination. As of March 31, 2017, cash and marketable securities held in the Trust Account consisted of \$34,746,622 in United States Treasury Bills with a maturity date of 180 days or less.

Common stock subject to redemption

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Common stock subject to mandatory redemption (if any) 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 the Company’s control) is classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. The Company’s common stock features certain redemption rights that are considered to be outside of the Company’s control and subject to the occurrence of uncertain future events. Accordingly, the common stock subject to possible redemption is presented as temporary equity, outside of the stockholders’ equity section of the Company’s balance sheet.

Net loss per share

The Company complies with accounting and disclosure requirements of ASC Topic 260, “Earnings 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. Common stock subject to possible redemption at March 31, 2017 and 2016 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 1,838,435 and 2,294,035 shares of common stock, respectively, (2) rights sold in the Initial Public Offering and private placement that convert into 367,687 and 458,807 shares of common stock, respectively, 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.

Income taxes

The Company complies with the accounting and reporting requirements of ASC Topic 740, “Income Taxes,” which require an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

BARINGTON/HILCO ACQUISITION CORP.

NOTES TO CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2017

(Unaudited)

ASC Topic 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. There were no unrecognized tax benefits as of March 31, 2017 and December 31, 2016. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position over the next twelve months.

The Company may be subject to potential income tax examinations by federal or state authorities. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal and state tax laws.

The Company's policy for recording interest and penalties associated with audits is to record such expense as a component of income tax expense. There were no amounts accrued for penalties or interest as of March 31, 2017 and December 31, 2016.

Concentration of credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash accounts in a financial institution which, at times may exceed the Federal depository insurance coverage of \$250,000. At March 31, 2017, the Company had not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Fair value of financial instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the accompanying balance sheets, primarily due to their short-term nature.

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.

NOTE 4. INITIAL PUBLIC OFFERING

In February 2015, the Company sold an aggregate of 4,293,069 Units at a purchase price of \$10.00 per Unit in its Initial Public Offering. Each Unit consists of one share of the Company's common stock, \$0.0001 par value ("Common Stock"), one right ("Public Right") and one redeemable Common Stock purchase warrant ("Public Warrant"). Each Public Right will convert into one-tenth (1/10) of one share of Common Stock upon the consummation of a Business Combination (see Note 8). Each Public Warrant entitles the holder to purchase one-half share of Common Stock at an exercise price of \$12.50 per whole share (see Note 8).

NOTE 5. PRIVATE PLACEMENT

Simultaneously with the Initial Public Offering, the Company's sponsors and EBC purchased 295,000 Private Units (285,000 Units by the Company's sponsors and 10,000 Units by EBC) at a price of \$10.00 per Unit (\$2,950,000 in the aggregate) from the Company in a private placement. The proceeds from the Private Units were added to the net proceeds from the Initial Public Offering held in the Trust Account.

The Private Units are identical to the Units sold in the Initial Public Offering, except for the private warrants ("Private Warrants"), as described in Note 8. In addition, the holders of the Common Stock underlying the Private Units have agreed (a) to vote such shares in favor of a Business Combination, (b) not to propose, or vote in favor of, an amendment to the Company's amended and restated certificate of incorporation with respect to the Company's pre-Business Combination activities prior to the consummation of such Business Combination, unless the Company provides dissenting stockholders with the opportunity to convert such shares in connection with any such vote, (c) not to convert such shares into the right to receive cash from the Trust Account in connection with a stockholder vote to approve the Company's proposed Business Combination or a vote to amend the provisions of the Company's amended and restated certificate of incorporation relating to stockholders' rights or pre-Business Combination activity and (d) that such shares shall not participate in any liquidating distribution upon winding up if a Business Combination is not consummated. Additionally, the holders have agreed not to transfer, assign or sell any of the Private Units or underlying securities (except to certain permitted transferees and provided the transferees agree to the same terms and

restrictions as the permitted transferees of the Insider Shares must agree to) until the completion of the Business Combination. If the Company does not complete a Business Combination, the Private Warrants and the Private Rights will expire worthless.

NOTE 6. ADVANCE FROM THIRD PARTY

On February 14, 2017 and March 16, 2017, the Company received advances from a third party in the aggregate amount of \$170,000 in order to fund the Contribution required under the Extension Amendment. The advances are non-interest bearing, unsecured and due on demand. On April 21, 2017, the Company received an additional \$85,000 in advances from this third party to fund the Contribution required under the Extension Amendment.

BARINGTON/HILCO ACQUISITION CORP.

NOTES TO CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2017

(Unaudited)

NOTE 7. RELATED PARTY TRANSACTIONS

Insider Shares

In September and October 2014, the Company issued an aggregate of 1,150,000 shares of Common Stock to its sponsors (the “Insider Shares”) for an aggregate purchase price of \$25,000. The 1,150,000 Insider Shares included an aggregate of up to 150,000 shares subject to forfeiture to the extent that the underwriters’ over-allotment was not exercised in full or in part, so that the Company’s sponsors would collectively own 20% of the Company’s issued and outstanding shares after the Initial Public Offering (excluding the shares underlying the Private Units). As a result of the underwriters’ election to exercise their over-allotment option to purchase 293,069 Units on February 11, 2015, 73,267 Insider Shares are no longer subject to forfeiture. The underwriters elected not to exercise the remaining portion of the over-allotment option; accordingly, 76,733 Insider Shares were forfeited.

Promissory Notes

On August 9, 2016, the Company entered into promissory notes (“Extension Promissory Notes”) with affiliates of its sponsors for an aggregate amount of \$130,000 in order to fund the deposit required to extend the date by which it must complete its Business Combination to November 11, 2016 and to fund working capital requirements. On November 10, 2016, the Company entered into Second Extension Promissory Notes with affiliates of its sponsors for an aggregate amount of \$100,000 in order to fund the deposit required to extend the date by which it must complete its Business Combination to February 11, 2017. In February and March 2017, the Company entered into promissory notes (“2017 Promissory Notes”) with affiliates of its sponsors for an aggregate amount of \$35,000 to fund working capital requirements. The Extension Promissory Notes, the Second Extension Promissory Notes and the 2017 Promissory Notes are non-interest bearing, unsecured and due on the earlier of (i) the date on which the Company consummates a Business Combination or (ii) the date on which the Company determines not to proceed with a Business Combination.

As of March 31, 2017, the amounts owed under the Extension Promissory Notes, Second Extension Promissory Notes and the 2017 Promissory Notes amounted to an aggregate of \$265,000.

In order to meet the Company's working capital needs following the consummation of the Initial Public Offering, the Company's sponsors, officers and directors or their affiliates 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. Each loan would be evidenced by a promissory note. The notes either would be paid upon consummation of the Business Combination, without interest, or, at the lender's discretion, up to \$500,000 of the notes may be converted upon consummation of a Business Combination into additional Private Units at a price of \$10.00 per Unit.

NOTE 8. 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, 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.

BARINGTON/HILCO ACQUISITION CORP.

NOTES TO CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2017

(Unaudited)

Legal Matters

The Company has engaged a law firm to assist the Company with its legal matters in identifying, negotiating, and consummating a Business Combination, as well as assisting with other legal matters. In the event of a successful Business Combination, the amount of fees to be paid will be agreed upon between the Company and the law firm in light of all the facts and circumstances at that point in time. If a Business Combination does not occur, the Company will not be required to pay this contingent fee. Management is unable to determine the amount of the legal fees to be paid at this time. There can be no assurance that the Company will complete a Business Combination.

NOTE 9. 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, 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, 2017, there were 1,907,651 shares of Common Stock issued and outstanding (excluding 2,842,485 shares of Common Stock subject to possible redemption).

Rights - Each holder of a right will receive one-tenth (1/10) of one share of Common Stock upon consummation of a Business Combination, even if the holder of such right converted all shares of Common Stock held by him, her or it in connection with the Business Combination or an amendment to the Company's amended and restated certificate of incorporation with respect to the Company's pre-Business Combination activities.

No additional consideration will be required to be paid by a holder of rights in order to receive his, her or its additional shares of Common Stock upon consummation of a Business Combination as the consideration related thereto has been included in the Unit purchase price paid for by investors in the Initial Public Offering.

The number of shares of Common Stock issuable upon the conversion of the rights may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. Additionally, in no event will the Company be required to net cash settle the rights. Accordingly, the rights may expire worthless.

Warrants - Public Warrants may only be exercised for a whole number of shares of Common Stock. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable upon consummation of a Business Combination. No Public Warrants will be exercisable for cash unless the Company has an effective and current registration statement covering the Common Stock issuable upon exercise of the Public Warrants and a current prospectus relating to such shares of Common Stock. Notwithstanding the foregoing, if a registration statement covering the shares of Common Stock issuable upon the exercise of the Public Warrants is not effective within 90 days from the consummation of the Business Combination, the holders may, until such time as there is an effective registration statement and during any period when the Company shall have failed to maintain an effective registration statement, exercise the Public Warrants on a cashless basis pursuant to an available exemption from registration under the Securities Act. If an exemption from registration is not available, holders will not be able to exercise their Public Warrants on a cashless basis. The Public Warrants will expire three years after the consummation of a Business Combination or earlier upon redemption or liquidation.

The Private Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except the Private Warrants are exercisable for cash (even if a registration statement covering the Common Stock issuable upon exercise of such Private Warrants is not effective) or on a cashless basis, at the holder's option, and are not redeemable by the Company, in each case so long as they are still held by the initial stockholders or their permitted transferees.

The Company may call the warrants for redemption (excluding the Private Warrants but including any outstanding warrants issued upon exercise of the unit purchase option issued to EBC), in whole and not in part, at a price of \$.01 per warrant:

- at any time while the Public Warrants are exercisable,
- upon not less than 30 days' prior written notice of redemption to each Public Warrant holder, if, and only if, the reported last sale price of the Common Stock equals or exceeds \$17.50 per share, for any 20 trading days within a 30 trading day period ending on the third business day prior to the notice of redemption to Public Warrant holders, and
- if, and only if, there is a current registration statement in effect with respect to the shares of Common Stock underlying such warrants at the time of redemption and for the entire 30-day trading period referred to above and

continuing each day thereafter until the date of redemption.

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(Unaudited)

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a “cashless basis.”

The exercise price and number of shares of Common Stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuances of Common Stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants. Accordingly, the warrants may expire worthless.

NOTE 10. 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.

Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in 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, 2017 and December 31, 2016, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	March 31, 2017	December 31, 2016
Assets:			
Cash and marketable securities held in Trust Account	1	\$34,746,622	\$43,927,390

NOTE 11. SUBSEQUENT EVENTS

The Company evaluates subsequent events and transactions that occur after the balance sheet date up to the date that the financial statements are issued. Other than as described below, the Company did not identify subsequent events that would have required adjustment or disclosure in the financial statements.

The Company deposited an aggregate of \$84,546 into the Company's Trust Account. The Contribution was paid from funds loaned to the Company by a third party.

On May 12, 2017, the Company entered into a merger agreement (the "Merger Agreement") with Oomba, Inc., a Delaware corporation ("Oomba"), pursuant to which Oomba will merge into the Company (the "Merger"), with the Company surviving the Merger. In connection with the entry into the Merger Agreement, Oomba entered into an asset purchase agreement (the "Gameworks Purchase Agreement") with Gameworks Entertainment, LLC and several of its subsidiaries (collectively, "Gameworks"), pursuant to which Oomba will purchase substantially all of the assets of Gameworks. Oomba is a specialized software development company that is creating an interactive social network for eSports tournaments, leagues and teams. Gameworks is an entertainment and gaming venue that offers a combination of games, sports and food and beverage products for the whole family.

Pursuant to the Merger Agreement, an aggregate of 5,899,705 shares of the Company's common stock (subject to adjustment for any outstanding Oomba indebtedness) will be exchanged for all outstanding shares of Oomba common stock, with five percent of such Company shares being placed into escrow for 18 months in order to secure Oomba's indemnification obligations under the Merger Agreement. The Merger Agreement provides that upon the achievement, in 2018 and/or 2019, of certain EBITDA thresholds or Company common stock trading price thresholds, the Company would issue up to an additional 600,000 shares of its common stock to Oomba shareholders. Both the

Merger Agreement and the Gameworks Purchase Agreement contain customary representations and warranties, covenants and indemnification provisions and are subject to customary closing conditions, including, in the case of the Merger Agreement, approval of the Merger by the shareholders of both the Company and Oomba. In addition, closing of the transactions contemplated by the Merger Agreement is subject to a condition that at closing at least \$23,500,000 of cash is available in the Company's Trust Account, which amount shall be reduced by any capital raised by Oomba prior to the Merger (down to a minimum of \$5,000,000) and shall be net of transaction expenses. Oomba shareholders will have customary registration rights with respect to the shares of Company common stock received in the Merger, and certain such shareholders will be subject to restrictions on sales of Company common stock for a period of twelve months after closing.

Also on May 12, 2017, at a meeting of the board of directors, James A. Mitarotonda resigned his position as Chairman of the board of directors and Jeffrey D. Nuechterlein, was duly elected the new Chairman given Mr. Nuechterlein's background working with and investing in technology companies.

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, 2016 filed with the SEC on March 30, 2017. 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. The issuance of additional shares of Common Stock or preferred stock in a Business Combination:

- may significantly dilute the equity interest of existing stockholders;
- may subordinate the rights of holders of Common Stock if preferred stock is issued with rights senior to those afforded our Common Stock;
- could cause a change of control if a substantial number of shares of our Common Stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors;
- may have the effect of delaying or preventing a change of control of us by diluting the stock ownership or voting rights of a person seeking to obtain control of us; and
- may adversely affect prevailing market prices for our Common Stock, rights and/or warrants.

Similarly, if we issue debt securities, it could result in:

- default and foreclosure on our assets if our cash flows after an initial business combination are insufficient to repay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of such covenants;
- our immediate repayment of all principal and accrued interest, if any, if the debt security is payable on demand; and/or
- our inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding.

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.

Our Initial Public Offering documents provided that we initially had until August 11, 2016 to complete an Initial Business Combination, with an option to extend the period of time to consummate a Business Combination up to two times, each by an additional three months (for a total of up to 24 months to complete a Business Combination). In order to extend the time available for us to consummate a Business Combination, the initial stockholders or their affiliates or designees were required to deposit into the Trust Account \$100,000 prior to the applicable deadline for each three month extension. On August 8, 2016, we elected to extend the period of time to consummate a Business Combination for an additional three months ending on November 11, 2016 and, accordingly, deposited \$100,000 into the Trust Account. Subsequently, on November 10, 2016, we elected to extend the period of time to consummate a Business Combination for an additional three months ending on February 11, 2017 and, accordingly, deposited an additional \$100,000 into the Trust Account.

On February 10, 2017, we held a special meeting of stockholders pursuant to which the stockholders approved an amendment to our Amended and Restated Certification of Incorporation (“A&R Charter”) providing for an extension of the period of time in which we are required to consummate an Initial Business Combination through August 11, 2017. This extension of up-to six (6) months has been and is to be implemented in 30-day increments, at our option. Pursuant to the terms of the A&R Charter, prior to the special meeting, stockholders were given the opportunity to redeem their shares of the Company’s Common Stock for their pro rata portion of the funds available in the Trust Account. The number of shares of Common Stock presented for redemption in connection with the Extension Amendment was 911,200. Accordingly, following the special meeting, the Company distributed \$9,305,588, or approximately \$10.21 per share, to redeeming stockholders. In addition, prior to the special meeting, the Company agreed to contribute \$0.025 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 an Initial Business Combination from February 11, 2017 through August 11, 2017 (the “Contribution”). To date, the Company has deposited an aggregate of \$253,640 into the Company’s Trust Account in connection with the Contribution, which is funded on a monthly basis. The Contribution has been and will continue to be paid from funds loaned to us by a third party.

On May 12, 2017, the Company entered into a merger agreement (the “Merger Agreement”) with Oomba, Inc., a Delaware corporation (“Oomba”), pursuant to which Oomba will merge into the Company (the “Merger”), with the Company surviving the Merger. In connection with the entry into the Merger Agreement, Oomba entered into an asset purchase agreement (the “Gameworks Purchase Agreement”) with Gameworks Entertainment, LLC and several of its subsidiaries (collectively, “Gameworks”), pursuant to which Oomba will purchase substantially all of the assets of Gameworks. Oomba is a specialized software development company that is creating an interactive social network for eSports tournaments, leagues and teams. Gameworks is an entertainment and gaming venue that offers a combination of games, sports and food and beverage products for the whole family.

Pursuant to the Merger Agreement, an aggregate of 5,899,705 shares of the Company’s common stock (subject to adjustment for any outstanding Oomba indebtedness) will be exchanged for all outstanding shares of Oomba common stock, with five percent of such Company shares being placed into escrow for 18 months in order to secure Oomba’s indemnification obligations under the Merger Agreement. The Merger Agreement provides that upon the achievement, in 2018 and/or 2019, of certain EBITDA thresholds or Company common stock trading price thresholds, the Company would issue up to an additional 600,000 shares of its common stock to Oomba shareholders. Both the Merger Agreement and the Gameworks Purchase Agreement contain customary representations and warranties, covenants and indemnification provisions and are subject to customary closing conditions, including, in the case of the Merger Agreement, approval of the Merger by the shareholders of both the Company and Oomba. In addition, closing of the transactions contemplated by the Merger Agreement is subject to a condition that at closing at least \$23,500,000 of cash is available in the Company’s Trust Account, which amount shall be reduced by any capital raised by Oomba prior to the Merger (down to a minimum of \$5,000,000) and shall be net of transaction expenses. Oomba shareholders will have customary registration rights with respect to the shares of Company common stock received in the Merger, and certain such shareholders will be subject to restrictions on sales of Company common stock for a period of twelve months after closing.

Results of Operations

We have neither engaged in any operations nor generated any revenues to date. All activity from inception to March 31, 2017 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, which we expect to be insignificant in view of the low yields on short-term government securities. 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, 2017, we had a net loss of \$63,626, mainly consisting of target identification expenses and operating costs of \$103,723, offset by interest income on cash and marketable securities held in our Trust Account.

For the three months ended March 31, 2016, we had a net loss of \$148,429 mainly consisting of target identification expenses and operating costs.

Liquidity and Capital Resources

On February 11, 2015, we consummated our Initial Public Offering of 4,000,000 units at a price of \$10.00 per unit, generating gross proceeds of \$40,000,000. Simultaneously with the closing of our Initial Public Offering, we consummated the private sale of an aggregate of 295,000 Units at a price of \$10.00 per unit, generating gross proceeds of \$2,950,000. Following the closing of our Initial Public Offering, our underwriters elected to exercise their over-allotment option to the extent of 293,069 Units at a price of \$10.00 per Unit, generating gross proceeds of \$2,930,690. We received net proceeds from our Initial Public Offering, sale of the Private Units and sale of the over-allotment Units of \$44,266,968, net of \$1,287,921 cash paid for underwriting fees and \$325,801 cash paid for offering costs. An aggregate of \$43,642,769 was placed into a Trust Account, while the remaining funds of \$624,199 were placed in an account outside of the Trust Account for working capital purposes.

As of March 31, 2017, we had cash and marketable securities held in the Trust Account of \$34,746,622 (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. Through March 31, 2017, we have withdrawn approximately \$84,000 of interest earned on the Trust Account in order to fund working capital requirements.

In each of August and November 2016, we deposited \$100,000 into the Trust Account as payment for the extension of the period of time to consummate a Business Combination for a total of six months.

On February 10, 2017, we made a payment of \$9,305,588 to the holders of the aggregate of 911,200 shares of common stock presented for redemption in connection with the Extension Amendment.

As of March 31, 2017, we had cash of \$52 held outside the Trust Account, which is available for use by us to cover the costs associated with identifying a target business and negotiating a business combination and other general corporate uses. In addition, as of March 31, 2017, we had accounts payable and accrued expenses of \$155,323.

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. For the three months ended March 31, 2016, cash used in operating activities amounted to \$89,163, resulting from a net loss of \$148,429, interest earned on cash and marketable securities held in the Trust Account of \$15,145 and changes in our operating assets and liabilities of \$74,411.

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.

If our estimates of the costs of identifying a target business, undertaking in-depth due diligence and negotiating a Business Combination are less than the actual amounts necessary to do so, we may have insufficient funds available to operate our business prior to our Business Combination. Moreover, we may 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.

On August 9, 2016, we entered into Extension Promissory Notes with affiliates of our sponsors for an aggregate amount of \$130,000 in order to fund the deposit required to extend the date by which we must complete a Business Combination to November 11, 2016 and to fund working capital requirements. On November 10, 2016, we entered into Second Extension Promissory Notes with affiliates of our sponsors for an aggregate amount of \$100,000 in order to fund the deposit required to extend the date by which we must complete a Business Combination to February 11, 2017. The Extension Promissory Notes and Second Extension Promissory Notes are non-interest bearing, unsecured and due on the earlier of (i) the date on which we consummate a Business Combination or (ii) the date which we determine not to proceed with a Business Combination.

In February and March 2017, we entered into Promissory Notes with affiliates of our sponsors for an aggregate amount of \$35,000 in order to fund working capital requirements. The 2017 Promissory Notes are non-interest bearing, unsecured and due on the earlier of (i) the date on which we consummate a Business Combination or (ii) the date which we determine not to proceed with a Business Combination. In addition, on February 14, 2017, March 16, 2017 and April 21, 2017, we received advances from a third party in the aggregate amount of \$255,000 in order to fund the Contribution required under the Extension Amendment. The advances are non-interest bearing, unsecured and due on demand.

In order to fund working capital deficiencies or finance transaction costs in connection with an intended Business Combination, our sponsors, officers and directors or their affiliates may, but are not obligated to, loan us funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion. Each loan would be evidenced by a promissory note. The notes would be paid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to \$500,000 of the notes may be converted upon consummation of a Business

Combination into additional Private Units at a price of \$10.00 per Unit.

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.

Significant 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. We have identified the following significant 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 (if any) 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, the Common Stock subject to possible redemption is presented 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, 2017. 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, 2017 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, 2016 filed with the SEC on March 30, 2017. 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

Description

Number

31*	<u>Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).</u>
32*	<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: May 15, 2017 By: /s/ Cory Lipoff
Name: Cory Lipoff
Title: Chief Executive Officer
(Principal Executive Officer and
Principal Financial and Accounting Officer)