UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

OR

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

FOR THE TRANSITION PERIOD FROM TO

001-10593
(Commission File Number)

ICONIX BRAND GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**11-2481903**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1450 Broadway, New York, New York 10018
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code: (212) 730-0030

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock, $.001 Par Value	**The NASDAQ Stock Market LLC (NASDAQ Global Market)**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

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

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

The aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant as of the close of business on June 30, 2016 was approximately $352.3 million. As of March 6, 2017, 56,951,225 shares of the registrant's Common Stock, par value $.001 per share, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's proxy statement for its annual meeting of stockholders to be held in 2017, and to be filed with the SEC, are incorporated by reference in Items 10, 11, 12, 13 and 14 of Part III of this Form 10-K.

ICONIX BRAND GROUP, INC. - FORM 10-K

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Unless the context requires otherwise, references in this Form 10-K to the "Company," "Iconix," "we," "us," "our," or similar pronouns refer to Iconix Brand Group, Inc. and its consolidated subsidiaries.

PART I

Item 1. Business

General

Iconix Brand Group is a brand management company and owner of a diversified portfolio of over 30 global consumer brands across the women's, men's, entertainment, home and international segments. The Company's business strategy is to maximize the value of its brands primarily through strategic licenses and joint venture partnerships around the world, as well as to grow the portfolio of brands through strategic acquisitions.

As of December 31, 2016, the Company's brand portfolio includes Candie's ®, Bongo ®, Joe Boxer ® , Rampage ® , Mudd ® , London Fog ® , Mossimo ® , Ocean Pacific/OP ® , Danskin/Danskin Now ® , Rocawear ® /Roc Nation ® , Cannon ® , Royal Velvet ® , Fieldcrest ® , Charisma ® , Starter ® , Waverly ® , Ecko Unltd ® /Mark Ecko Cut & Sew ® , Zoo York ® , Umbro ®, Lee Cooper ® , Strawberry Shortcake ® and Artful Dodger ®; and interests in Material Girl ® , Peanuts ® , Ed Hardy ® , Truth or Dare ® , Modern Amusement ® , Buffalo ® , Nick Graham ® Hydraulic ®, and PONY ®.

The Company seeks to monetize the Intellectual Property (herein referred to as "IP") related to its brands throughout the world and in all relevant categories by licensing directly with leading retailers (herein referred to as "direct to retail" or "DTR"), through consortia of wholesale licensees, through joint ventures in specific territories and via other activity such as corporate sponsorships and content as well as the sale of IP for specific categories or territories. Products bearing the Company's brands are sold across a variety of distribution channels from the mass tier (e.g. Wal-Mart) to better department stores (e.g. Macy's) and, in the case of the Peanuts and Strawberry Shortcake brands, through various media outlets, including television, movies, digital and mobile content. The licensees are responsible for designing, manufacturing and distributing the licensed products. The Company supports its brands with marketing, advertising and promotional campaigns designed to increase brand awareness. Additionally, the Company provides its licensees with coordinated trend direction to enhance product appeal and help build and maintain brand integrity. In the case of Peanuts and Strawberry Shortcake brands, we also provide content for licensed media categories.

Globally, the Company has over 75 direct-to-retail licenses and more than 1,450 total licenses. Licensees are selected based upon the Company's belief that such licensees will be able to produce and sell quality products in the categories and distribution channels of their specific expertise and that they are capable of exceeding minimum sales targets and royalties that the Company generally requires for each brand. This licensing strategy is designed to permit the Company to operate its licensing business, leverage its core competencies of marketing and brand management with minimal working capital, and without inventory, production or distribution costs or risks, and maintain high margins. The majority of the Company's licensing agreements include minimum guaranteed royalty revenue which provides the Company with greater visibility into future cash flows. As of January 1, 2017, the Company had over $720 million of aggregate guaranteed royalty revenue over the terms of its existing contracts excluding renewals.

A key initiative in the Company's global brand expansion plans has been the formation of international joint ventures. The strategy in forming international joint ventures is to partner with best-in-class, local partners to bring the Company's brands to market more quickly and efficiently, generating greater short- and long-term value from its IP, than the Company believes is possible if it were to build-out wholly-owned operations ourselves across a multitude of regional or local offices. Since September 2008, the Company has established the following international joint ventures: Iconix China, Iconix Latin America, Iconix Europe, Iconix India, Iconix Canada, Iconix Australia, Iconix Southeast Asia, Iconix Israel, Iconix Middle East, Umbro China and Danskin China.

The Company also plans to continue to build and maintain its brand portfolio by acquiring additional brands directly or through joint ventures. In assessing potential acquisitions or investments, the Company primarily evaluates the strength of the target brand as well as the expected viability and sustainability of future royalty streams. The Company believes that this focused approach allows it to effectively screen a wide pool of consumer brand candidates and other asset light businesses, strategically evaluate acquisition targets and complete due diligence for potential acquisitions efficiently.

The Company's primary goal of maximizing the value of its IP also includes, in certain instances, the sale to third parties of a brand's trademark in specific territories or categories. As such, the Company evaluates potential offers to acquire some or all of a brand's IP by comparing whether the offer is more valuable than the Company's estimate of the current and potential revenue streams to be earned via the Company's traditional licensing model. Further, as part of the Company's evaluation process it also considers whether or not the buyer's future development of the brand may help to expand the brand's overall recognition and global revenue potential.

The Company has acquired the following brands on the dates indicated:

Date acquired	Brand
October 2004	Badgley Mischka[1]
July 2005	Joe Boxer
September 2005	Rampage
April 2006	Mudd
August 2006	London Fog
October 2006	Mossimo
November 2006	Ocean Pacific/ OP
March 2007	Danskin/ Danskin Now
March 2007	Rocawear/ Roc Nation
October 2007	Official-Pillowtex brands (Cannon, Royal Velvet, Fieldcrest and Charisma)
December 2007	Starter
October 2008	Waverly
October 2009, July 2011	Zoo York[2]
October 2011	Sharper Image[3]
November 2012	Umbro
February 2013	Lee Cooper[4]
October 2009, May 2013	Ecko Unltd/ Marc Ecko Cut & Sew[5]
March 2015	Strawberry Shortcake

1 In February 2016, the Company sold the rights to the Badgley Mischka intellectual property to Titan Industries, Inc. Refer to Note 4 in Notes to Consolidated Financial Statements for further details.

2 In July 2011, the Company, through its wholly-owned subsidiary ZY Holdings, purchased the Zoo York brand and related assets from its IPH Unltd joint venture, increasing the Company's effective ownership in the Zoo York brand from 51% to 100%.

3 The Company sold its rights to the Sharper Image intellectual property and related assets in December 2016. Refer to Note 4 in Notes to the Consolidated Financial Statements for further details.

4 In December 2016, the Company repurchased the remaining 50% ownership interest in the joint venture that held domestic assets relating to the Lee Cooper brand, LC Partners US, LLC, from its joint venture partner, increasing the Company's ownership interest in LC Partners US to 100%. Refer to Note 3 in Notes to Consolidated Financial Statements for further details.

5 In May 2013, the Company purchased the remaining 49% of the equity interest in IPH Unltd from its minority partner, increasing the Company's effective ownership of the Ecko portfolio of brands from 51% to 100%.

In addition to the acquisitions above, the Company has acquired ownership interests in the following brands through its investments in joint ventures as of December 31, 2016:

Date Acquired/Invested	Brand	Investment / Joint Venture	Iconix's Interest
November 2007	Artful Dodger	Scion[2]	100%
May 2009, April 2011	Ed Hardy[1]	Hardy Way	85%
March 2010	Material Girl and Truth or Dare	MG Icon	50%
June 2010	Peanuts	Peanuts Holdings	80%
December 2012	Modern Amusement	Icon Modern Amusement	51%
February 2013	Buffalo	Alberta ULC	51%
October 2014	Nick Graham	NGX	51%
December 2014	Hydraulic	Hydraulic IP Holdings	51%
February 2015	PONY	US Pony Holdings	75%

(1) In April 2011, the Company acquired an additional interest in Hardy Way LLC, increasing its effective ownership of the brand from 50% to 85%.

(2) In July 2015, the Company acquired the remaining 50% interest in Scion, increasing its effective ownership of the brand from 50% to 100%. Refer to Note 3 in Notes to Consolidated Financial Statements for further details.

As of December 31, 2016, the Company was party to the following joint ventures to develop and market its brands in specific international markets, herein collectively referred to as the Company's "International Joint Ventures":

Date Created	Investment /Joint Venture	Iconix's Interest
September 2008	Iconix China(1)	100%
December 2008	Iconix Latin America(2)	100%
December 2009	Iconix Europe(3)	51%
May 2012	Iconix India	50%
June 2013	Iconix Canada	50%
September 2013	Iconix Australia	50%
October 2013	Iconix Southeast Asia	50%
December 2013	Iconix Israel	50%
December 2014	Iconix Middle East(4)	55%
July 2016	Umbro China Limited(5)	95%
October 2016	Danskin China Limited(6)	100%

(1) In March 2015, the Company purchased 50% of the outstanding equity interests in Iconix China from its partner, increasing the Company's ownership from 50% to 100%.

(2) In February 2014, the Company purchased 50% of the outstanding equity interests in Iconix Latin America from its partner, increasing the Company's ownership from 50% to 100%.

(3) In January 2014, the Company purchased an additional 1% of the equity interests in Iconix Europe from its partner, increasing the Company's ownership from 50% to 51% and acquiring additional rights resulting in effective control.

(4) In December 2016, the Company irrevocably exercised its call option to acquire an additional 5% of the equity interests in Iconix Middle East from its partner, in order to increase the Company's ownership from 50% to 55%. Such acquisition closed in February 2017.

(5) In July 2016, the Company sold a 5% interest in a newly formed entity, Umbro China Limited, to MH Umbro International Co. Limited. Refer to Note 3 in Notes to Consolidated Financial Statements for further details.

(6) In October 2016, the Company entered into an agreement with Li-Ning (China) Sports Goods Co., Ltd. ("LiNing") to sell up to a 50% interest (and no less than 30% interest) in its wholly-owned indirect subsidiary, Danskin China Limited ("Danskin China"), a new Hong Kong registered company which holds the intellectual property and related assets in respect of the Danskin brand in mainland China and Macau. Refer to Note 3 in Notes to Consolidated Financial Statements for further details.

Corporate Information

The Company was incorporated under the laws of the state of Delaware in 1978. Its principal executive offices are located at 1450 Broadway, New York, New York 10018, and its telephone number is (212) 730-0030. The Company's website address is www.iconixbrand.com. The information on the Company's website does not constitute part of this Form 10-K. The Company has included its website address in this document as an inactive textual reference only.

The Company's brands

The Company owns a diversified portfolio of over 30 iconic brands across the Company's five operating segments: women's, men's, home, entertainment and international. The Company's objective is to grow its existing portfolio organically, both domestically and internationally, and acquire new brands, both of which leverage its brand management expertise, platform and infrastructure, and where third parties offer similar leverage of their relationships and infrastructures, enter into joint ventures or other partnerships. To achieve this objective, the Company intends to:

- extend its existing brands by adding additional product categories, expanding the brands' distribution and retail presence and optimizing its licensees' sales through marketing that increases consumer awareness and loyalty;
- continue its international expansion through additional licenses, partnerships, joint ventures and other arrangements with leading retailers and wholesalers worldwide;
- continue acquiring consumer brands or the rights to such brands with high consumer awareness, broad appeal, applicability to a range of product categories and an ability to diversify the Company's portfolio; and
- use advertising and marketing to keep brands relevant and create long term value.

In managing its brands, the Company seeks to capitalize on its heritage and authenticity, while simultaneously working to keep its brands relevant to today's consumer.

Women's

Brands Wholly-Owned by Iconix:

Candie's. Candie's is known as a junior lifestyle brand, with products in the footwear, apparel and accessories categories, and the brand has achieved high recognition for its flirty and fun image and affiliations with celebrity spokespeople. Candie's was established as a brand in 1977 and is Iconix's longest held trademark. The primary licensee for Candie's is Kohl's Department Stores, Inc., herein referred to as Kohl's, which commenced the roll out of the brand in July 2005 in all of its stores in the United States with a multi-category line of Candie's lifestyle products, including sportswear, denim, footwear, handbags and intimate apparel. Additionally, the brand has signed three new wholesale license agreements to launch in channels outside of Kohl's in the following categories: Kids, Kids Underwear and Sleepwear and Home. Candie's award-winning advertising is known for its sexy but playful concepts. Over the years the brand has created omni-channel marketing campaigns leveraging its talent of "It" girls including Britney Spears, Fergie, Destiny's Child, Lea Michele, Vanessa Hudgens, Hilary Duff, Bella Thorne, Kelly Clarkson & Jenny McCarthy. In 2016, the brand introduced Sarah Hyland as the first ever Creative Director. In addition to starring in each campaign, Sarah will be influencing the development and design of each new collection.

Bongo. The Bongo brand is positioned as a California lifestyle brand, with a broad range of women's casual apparel and accessories, including denim, sportswear, eyewear and footwear. The brand was established in 1982. In February 2010, the Company signed an exclusive direct-to-retail license agreement with Kmart Corporation, a wholly-owned subsidiary of Sears Holding Corporation (herein referred to as Kmart/Sears), for the brand in the United States. Bongo is a highly visible brand at Sears, with strong presence across women's apparel, accessories and footwear. In 2016, Bongo worked to increase its digital footprint by developing a social/digital campaign that reached millennial consumers via their mobile devices with focuses on Influencers and amplification through Instagram, Facebook and SnapChat.

Badgley Mischka. The Badgley Mischka brand is known for luxury couture eveningwear. The brand was established in 1988 and was acquired by the Company in October 2004. The Company sold the Badgley Mischka brand in February 2016.

Joe Boxer. Joe Boxer is a highly recognized lifestyle brand known for its irreverent and humorous image and provocative promotional events. The brand was established in 1985 and was acquired by the Company in July 2005. Since August 2001, Kmart/Sears has held the exclusive license for the brand in the United States covering apparel, fashion accessories and home products for men, women, teens and children. In 2016, Joe Boxer partnered with the Eh Bee family to develop a social media and digital focused campaign that created awareness, consideration and attracted new millennial consumers to shop Joe Boxer at Sears.

Rampage. Rampage was established in 1982 and is known as a contemporary/junior women's sportswear brand. The brand was acquired by the Company in September 2005. Rampage products are sold through better department stores such as Macy's and Belk Stores, with the largest retail categories being footwear, accessories, handbags, denim and outerwear. Previous campaigns have featured Petra Nemcova, Gisele Bündchen, Bar Refaeli, Irina Shayk, and most recently Olivia Culpo.

Mudd. Mudd is a highly recognizable junior lifestyle brand, particularly in the denim, footwear and accessories categories. It was established in 1995 and acquired by the Company in April 2006. In November 2008, the Company entered into a multi-year licensing agreement with Kohl's under which Kohl's became the exclusive retailer in the United States for apparel, footwear, fashion accessories and jewelry. The brand was launched at Kohl's in July 2009 and is currently sold in all Kohl's stores in numerous categories. Mudd launched its national marketing campaign in 2015 with a mixed cast of web stars, both male and female. Focusing on a digital strategy to reach its core demographic, 2017 kicked off with a new cast of social media influencers, including Lauren Rihimaki, Jordyn Jones and Nash Grier.

London Fog. London Fog is a classic brand known worldwide for its outerwear, cold weather accessories, umbrellas, luggage and travel products. The brand was established over 80 years ago and was acquired by the Company in August 2006. The brand is sold in a variety of categories through wholesale licenses in the United States, primarily through the department store channel including Macy's and Nordstrom's Department Store. Further, the Company has a direct-to-retail license agreement for London Fog with Hudson's Bay Corporation in Canada, covering outerwear, apparel, accessories and lifestyle products. The brand relaunched in 2007, with a celebrity-fueled advertising campaign featuring Kevin Bacon, Teri Hatcher, Michael Bolton, Nicolette Sheridan and Cheryl Hines. Other celebrity campaigns include Neil Patrick Harris, David Burtka, Gisele Bündchen, Eva Longoria, Tony Parker, and Christina Hendricks. The most recent campaign, shot in the heart of Brooklyn, starred David Duchovny and Martha Hunt.

Mossimo. Mossimo is known as a contemporary, active and youthful lifestyle brand and is one of the largest apparel brands in the United States. The brand was established in 1986 and acquired by the Company in October 2006. Since 2000, Target Corporation, herein referred to as Target, has held the exclusive license in the United States, covering apparel products for men, women and children, including casual sportswear, denim, swimwear, bodywear, watches, handbags and other fashion accessories. Target sells Mossimo apparel and other products chain-wide.

Ocean Pacific/OP. Ocean Pacific and OP are global action-sports lifestyle apparel brands which trace their heritage to Ocean Pacific's roots as a 1960's surfboard label. The Company acquired the Ocean Pacific/OP brands in November 2006 and in 2007, the OP business in the United States was converted to a direct-to-retail license with Wal-Mart Stores, Inc. (herein referred to as Wal-Mart). In Spring 2008, OP launched exclusively in select Wal-Mart stores in the United States, and was expanded to all stores in 2009. Currently the brand is distributed by Wal-Mart as a direct-to-retail license in the United States, with products that include footwear and swim for men, women and children. In 2016, OP developed a custom social media campaign across our media partners' most impactful channels. During the spring/summer season, OP launched a social campaign igniting a social conversation with OP's messaging and must-have products. The campaign boasted OP as the brand to have and Wal-Mart as the destination for all of a consumer's summer essentials.

Danskin/Danskin Now. Danskin is a 135 year-old iconic brand of women's activewear, athleisure, legwear, dancewear, intimates, sleepwear, and fitness equipment, which the Company acquired in March 2007. Danskin has maintained a legacy of health, strength and female empowerment in its core values. Danskin has partnered with Jenna Dewan Tatum as celebrity ambassador and face of its ad campaigns through 2017. The primary license for the Danskin brand is a direct-to-retail license with Wal-Mart for Danskin Now in the United States covering a wide range of women's and girl's apparel, activewear, ath-leisure and footwear. In addition, the Danskin brand continues to be sold through better department, mid-tier, specialty and sporting goods stores, as well as through Danskin.com by wholesale licensees in the United States. In 2014, the brand re-launched its e-commerce site, blog, and expanded its social media efforts. Sustaining its heritage with dance, Danskin has continued its support of the New York City Ballet. In 2016, Danskin partnered with Jenna Dewan Tatum, actress - producer - dancer and social media personality, as celebrity ambassador and face of its campaign.

Brands Held by Iconix with Joint Venture Partners:

MG Icon—Material Girl. MG Icon, a joint venture in which the Company has a 50% interest, was formed by the Company with Madonna and Guy Oseary in March 2010 to buy, create, develop and license brands across a spectrum of consumer product categories, with Madonna serving as the creative director. Concurrent with the formation of this joint venture, MG Icon entered into a direct-to-retail license with Macy's Retail Holdings, Inc. (herein referred to as Macy's) for the Material Girl brand covering a wide array of consumer categories. Additionally, the brand has signed three new wholesale license agreements to launch in channels outside of Macy's in the following categories: kids, intimates and sleepwear, and hosiery and socks. Celebrating its sixth year, the brand has had many notable faces for its campaigns, including Rita Ora, Zendaya, Kelly Osbourne, Sofia Richie and Taylor Momsen. In 2016, the brand introduced Pia Mia as the first ever Fashion Director, who has influenced the collection, starred in the campaigns and remains actively engaged leveraging her huge social media audience.

Men's

Brands Wholly-Owned by Iconix:

Rocawear/Roc Nation. Rocawear is a youth culture brand, established by Shawn "Jay-Z" Carter and his partners in 1999. The Company acquired the Rocawear brand in March 2007. Rocawear is currently licensed in the United States in a variety of categories, including men's, women's and kids' apparel, outerwear, footwear, jewelry and handbags. Rocawear products are sold primarily through department and specialty stores nationwide. In July 2013, the Company acquired the global rights to the "Roc Nation" name, a higher-end halo brand of Rocawear, associated with the Roc Nation entertainment and talent agency currently licensed in the U.S.

Starter. Founded in 1971, Starter is one of the original brands in licensed team sports merchandise and is a highly-recognized brand of athletic apparel and footwear. The Company acquired Starter in December 2007. At the time of the acquisition, the brand was distributed in the United States primarily at Wal-Mart through a number of wholesale licensees. In July 2008, the brand was converted to a direct-to-retail license with Wal-Mart and is currently sold in all stores in the United States and Canada. The Starter brand has been worn by some of the greatest athletes in MLB, NBA, NFL and NHL and the 2015 ambassadors for the brand included Kevin Love and Eric Decker. Most recently, the Company has partnered with all the major professional sports leagues and over one hundred NCAA universities throughout the U.S. through a licensee to re-launch the iconic Starter satin jacket, sold through various specialty stores, sporting goods stores and online. In 2012, the Starter Black brand was launched. Starter Black is a premium lifestyle brand extension that focuses on a fashion-forward collection of logo branded apparel and accessories and has quickly become a staple among celebrities, athletes and influencers. The Starter Black brand is sold in high-end specialty and sporting goods stores (e.g. Jimmy Jazz, Lids, Dick's Sporting Goods).

Zoo York. Zoo York is an East Coast-based action lifestyle brand, named for the graffiti-art infused counterculture of 1970's New York City. Zoo York has licenses with wholesalers covering a variety of products, including men's, women's and kids' apparel, footwear, socks and accessories. The Manhattan-based brand proudly serves up a wide range of casual utilitarian looks for men and women that fuse authentic military-influenced overtones with iconic Zoo York City imagery. The Company acquired a 51% interest in the Zoo York brand as part of the Ecko Untld. acquisition in 2009, and the Company increased its ownership to 100% in 2011. Zoo York is currently distributed in department stores including Kohl's, JCPenney, and Stage Stores. Celebrity spokespeople for the brand include professional skateboarders Chaz Ortiz and Brandon Wesgate. In FY 2014, with the permission of the NY Yankees, Zoo York unveiled a highly viewed video of the skate team riding in an empty Yankee Stadium.

Ecko Unltd, Marc Ecko Cut & Sew. In October 2009, the Company, through a then newly formed joint venture company IPH Unltd, acquired a 51% controlling stake in the Ecko portfolio of brands. In May 2013, the Company purchased the remaining 49% interest from its minority partner, increasing its ownership in IPH Unltd from 51% to 100%. Founded in 1993, Ecko and its various brands are marketed and sold to consumers in the youth culture lifestyle categories, including active-athletic, streetwear, collegiate/preppy and denim fashion for men, women and children. Ecko Unltd. products are sold primarily through department and specialty stores including Dillard's and JCPenney. Ecko Unltd. brand ambassadors include professional skateboarder Manny Santiago and professional boxers Miguel Cotto and Danny Garcia. Marc Ecko Cut & Sew is a halo brand, licensed in men's apparel, outerwear, underwear, fragrance and accessories. It is distributed in boutiques, specialty stores and Dillard's Department Store.

Scion- Artful Dodger, Billionaire Boys Club/BBC, Ice Cream. In November 2007, Scion, through its wholly-owned subsidiary, Artful Holdings LLC, purchased the Artful Dodger brand, a high end urban apparel brand. Also, in May 2012, Scion purchased a 50% interest in the Billionaire Boys Club ("BBC") and Ice Cream brands. Pharrell Williams, the iconic singer-songwriter, rapper, record producer, and fashion designer is the founder and an equity partner in these brands. In July 2015, the Company acquired the remaining 50% interest in the Scion joint venture which increased the Company's ownership interest in Scion, and as a result, Artful Dodger, to 100%. The brands have been worn by celebrities such as Justin Bieber, Miley Cyrus, Beyoncé, Rihanna, and Jay Z. The Company sold its interest in the BBC and Ice Cream brands in January 2016.

Brands Held by Iconix with Joint Venture Partners:

Hardy Way- Ed Hardy. In May 2009, the Company acquired a 50% interest in Hardy Way, the owner of the Ed Hardy brand and trademarks. In April 2011, the Company made an additional investment in Hardy Way which effectively increased its ownership interest to 85%. Don Ed Hardy and his artwork date back to 1967 when he transformed the tattoo business into an artistic medium. He began licensing his name and artwork for apparel in 2003 and today the Ed Hardy brand is recognized by its tattoo inspired lifestyle products. The brand is licensed to wholesalers in the United States for men's, women's, and kids' apparel, fragrance, footwear and accessories. Distribution in the United States includes a wide base of retail stores, from Target to Walgreens. Celebrities that have worn the brand include Shakira, Lil Wayne, Madonna, Dwight Howard, Jessica Alba and Eva Longoria.

Icon Modern Amusement—Modern Amusement. In December 2012, the Company entered into an agreement with Dirty Bird Productions, Inc., in which the Company purchased a 51% interest in the Modern Amusement trademarks and related assets. Modern Amusement is a premium, west coast-lifestyle brand with a focus on casual sportswear apparel and related accessories for young men and young women. Modern Amusement has a direct-to-retail license in the U.S. with PacSun which distributes men's apparel and footwear.

Buffalo Brand Joint Venture—Buffalo by David Bitton. In February 2013, the Company formed a joint venture with Buffalo International ULC in which the Company effectively purchased a 51% interest in the Buffalo trademarks and related assets. Founded in 1985, Buffalo is a lifestyle brand consisting of denim, sportswear, active wear, and accessories. Buffalo is sold primarily through better department stores including Macy's, Dillard's and Lord & Taylor. Celebrities that have recently appeared in campaigns are Chandler Parsons, Eric Decker, Erin Heatherton, Adrian Grenier and Amber Arbucci.

NGX, LLC—Nick Graham. In October 2014, the Company formed a joint venture with NGO, LLC ("Nick Graham") in which the Company purchased a 51% interest in the Nick Graham trademarks and related assets. Founded in 2013, Nick Graham is a men's lifestyle brand, which launched sets of dress shirts, ties and tailored apparel sold at multiple levels of retail – including Macy's, JCPenney, Kohl's, and Target. Nick Graham, a businessman, marketer and entrepreneur, is the founder of the Joe Boxer brand and operates the core licensee for the distribution of dress shirts and ties.

Hydraulic IP Holdings, LLC - Hydraulic. In December 2014, the Company formed a joint venture with Top On International Group Limited in which the Company effectively purchased a 51% interest in the Hydraulic trademarks and related assets. Hydraulic was founded in New York in 1998 and is known for setting the blue jean standard in the denim market for junior's, women's and plus sizes. Hydraulic differentiates itself from other denim brands by positioning itself with the theme that all denim was not created equally. Hydraulic is currently distributed in department stores, including a strong presence at Kohl's, and is licensed for women's and kids' apparel in the United States.

US Pony Holdings, LLC – Pony / Product of New York. In February 2015, the Company through its newly-formed subsidiary, US Pony Holdings, LLC, acquired the North American rights to the Pony / Product of New York brand. These rights include the rights in the United States obtained from Pony, Inc. and Pony International, LLC (collectively, referred to as US Pony Seller), and the rights in Mexico and Canada obtained from Super Jumbo Holdings Limited (referred to as Non-US Pony seller and, together with US Pony Seller, the Pony Sellers). US Pony Holdings, LLC is owned 75% by the Company and 25% by its partner, Anthony L&S Athletics, LLC. Since acquiring the brand, the Company has entered into footwear, apparel and hosiery licensing contracts. The brand is distributed in mid-tier department stores, specialty stores and sporting goods stores.

Formed in 1972 in New York City, PONY became one of the top athletic footwear brands worldwide in the 1990's appearing on professional athletes in the NBA, NFL, MLB, Pro Soccer, Pro Tennis, and Pro Boxing. In Q4 2015, the Company launched a multi-faceted marketing campaign highlighting the acronym for Pony, Product of New York. The digital and social media campaign aimed at millennials, paid homage to the brand's New York City roots.

Home

Brands Wholly-Owned by Iconix:

Cannon. Cannon was established in 1887 and is one of the most recognizable brands in home textiles. It has a strong heritage and is known as the first textile brand to sew logos onto products. The Company acquired Cannon as part of the 2007 Pillowtex acquisition. At the time of the acquisition, the brand was distributed in various regional department stores. In February 2008, the Company signed a direct-to-retail license with Kmart/Sears for Cannon to be sold exclusively in the United States in multiple categories including fashion bedding, sheets, towels and bath rugs, basic bedding and kitchen textiles.

Royal Velvet. Royal Velvet is a distinctive luxury home textile brand that strives to deliver the highest quality to consumers. The Royal Velvet towel has been an industry standard since 1954. Royal Velvet products include towels, sheets, bath rugs, fashion bedding, basic bedding and window treatments. The Company acquired Royal Velvet as part of the 2007 Pillowtex acquisition. In April 2011, the Company entered into a direct-to-retail license with JC Penney Corporation, Inc., (herein referred to as JC Penney), for the Royal Velvet brand to be sold exclusively in JC Penney stores in the United States, which commenced in February 2012.

Fieldcrest. Fieldcrest was established in 1893 and is a brand known for quality bed and bath textiles that are classic in style. The Company acquired Fieldcrest as part of the 2007 Pillowtex acquisition. Since 2005, the Fieldcrest brand has been licensed exclusively to Target in the United States. Categories include fashion bedding, bath, bath towels, rugs, basic bedding and sheets.

Charisma. Charisma home textiles were introduced in the 1970's and are known for their quality materials and classic designs. The Company acquired Charisma as part of the 2007 Pillowtex acquisition. In February 2009, the Company signed a direct-to-retail license with Costco Wholesale Corporation, (herein referred to as Costco), for certain Charisma products to be sold in Costco stores in the United States and other countries. The brand is also licensed in the United States and Canada for distribution through better department stores such as Belk, Bed Bath & Beyond, Neiman Marcus and Horchow. Celebrity spokespeople for the brand have included Kellan Lutz, Eddie Cibrian and Scott Foley.

Waverly. Founded in 1923, Waverly is a premier home fashion and lifestyle brand and one of the most recognized names in home decor. The Company acquired Waverly in October 2008. Waverly has a direct-to-retail agreement in the United States with Wal-Mart for the Waverly Inspirations Collection covering fabrics and craft. Waverly also has wholesale licensees in the United States for products including fabric, window treatments/décor and bedding that are sold through retailers such as Jo-Ann's, Lowe's and Belk and other specialty retailers. Waverly also has a direct-to-retail agreement in the United States with Walgreens for the Waverly Celebrations Collection covering gifts for her.

Sharper Image. Founded in 1977, Sharper Image is a lifestyle brand with unique product assortments across a range of categories including consumer electronics, home goods, luggage, eclectic gifts and kitchen accessories. The Company acquired the Sharper Image brand in October 2011. The Company sold the Sharper Image brand and related assets in December 2016.

Entertainment

Brand Wholly-Owned by Iconix:

Strawberry Shortcake. In March 2015, the Company completed its acquisition of the Strawberry Shortcake brand and related assets from American Greetings Corporation and its wholly-owned subsidiary, Those Characters From Cleveland, Inc.

The iconic Strawberry Shortcake character made her debut 35 years ago and today is a global brand with a diversified network of over 350 licensees. Strawberry Shortcake has had a strong international business, with revenue outside of the U.S. representing approximately 50% of total sales. The two largest international markets include Turkey and Brazil, where the brand is highly recognized as a local brand, marketed as Moranguinho in Brazil. Its television, apps and toy businesses have also been a large part of the multi-generational appeal of the brand. The show currently runs on Discovery Kids, Latin America's top children's cable channel and is a top girls' show on Netflix. It is also a top Girls Property in the IOS App Store, with over 86 million downloads and approximately three million daily users. Additionally, it has an active YouTube following globally and has been a top-selling girls' toy brand marketed by Hasbro and Bandai over the years.

Brand Held by Iconix with Joint Venture Partners:

Peanuts Worldwide – Peanuts, Charlie Brown, Snoopy. In June 2010, the Company, through its wholly-owned subsidiary Icon Entertainment LLC, acquired an 80% controlling stake in Peanuts Holdings, which, through its wholly-owned subsidiary, Peanuts Worldwide, owns and manages the Peanuts brand and characters, including Snoopy, Charlie Brown, Lucy, Linus, Peppermint Patty, Sally, Schroeder, Pig-Pen and Woodstock. The Company's 20% partner in Peanuts Holdings is the family of Charles Schulz, the creator of the Peanuts brand and characters. Peanuts has a strong diversified global licensing platform with over 700 licensing agreements including relationships with ABC Network, Hallmark, Universal Studios Japan, Warner Bros., Uniqlo, and Zara. In October 2012, the Company entered into an agreement with Twentieth Century Fox Animation to produce The Peanuts Movie, an animated film featuring the iconic Peanuts characters, which was released November 2015 to great critical and popular acclaim in over 100 countries. The film went on to be nominated for a Golden Globe for Best Animated Picture of the year. In 2015, the property celebrated the 65th anniversary of the comic strip. The 50th anniversary of A Charlie Brown Christmas was celebrated with a star-studded ABC special featuring Kristen Bell as host, which won an Emmy. The film launch was supported with a commemorative stamp program with the United States Postal Service in 30,000 of its stores, and with concerts at the San Francisco Symphony and Carnegie Hall. Peanuts, we believe, is the most engaging character brand on Facebook. Its largest international market is Japan, where a new Snoopy Tokyo Museum opened in April 2016. The Peanuts brand is licensed in over 100 countries.

International

Brands Wholly-Owned by Iconix:

Umbro. Founded in 1924, Umbro is a global football (soccer) brand. The brand combines British heritage with a modern football lifestyle to create iconic sports apparel and footwear with high global awareness and strong global distribution. The Company acquired the Umbro brand in November 2012. The Company and its licensees sponsor hundreds of national and league teams worldwide. Umbro products are sold globally through a strong network of licensees and partners in the United States, Canada, Australia, Africa, Asia, Europe, the Middle East, India and Latin America. In the U.S., the Company has a direct-to-retail license with Dick's Sporting Goods. There are also U.S. wholesale licenses for adult and youth apparel, footwear, eyewear, hosiery, underwear/lounge and team wear, with distribution in department stores and specialty stores.

Lee Cooper. Founded in 1908, Lee Cooper is an iconic British denim brand that has expanded into multiple lifestyle categories including men's, women's and kids' casual wear, footwear and accessories. The Company acquired the Lee Cooper brand in February 2013. Lee Cooper has global reach through more than 40 licensees with product sold in Australia, Africa, Asia, Europe, the Middle East, India and Latin America.

Wholly-Owned Subsidiaries and Joint Ventures:

Within the international segment, the Company operates both wholly-owned subsidiaries and joint ventures in various territories. A variety of the Company's brands are present within these territories and generate license revenue and profitability.

Wholly-Owned Subsidiaries

Iconix China. In September 2008, the Company and Novel Fashions Holdings Limited, (referred to as Novel), formed a joint venture, Iconix China, to develop, exploit and market the Company's brands in the People's Republic of China, Hong Kong, Macau and Taiwan, (herein referred to as Greater China). In the initial phase of the joint venture, Iconix China sought to maximize brand

monetization through investment, whereby Iconix China received a minority equity stake in local operating companies in exchange for the rights to one or more of the Company's brands in Greater China and brand management support. Pursuant to the terms of this transaction, the Company contributed to Iconix China substantially all rights to its brands in Greater China and contributed $2.0 million, and Novel contributed $17 million to Iconix China.

Iconix China successfully placed several brands into joint ventures including Candie's and Marc Ecko Cut & Sew with Shanghai La Chapelle Fashion Co. Ltd (HK 6116); London Fog with China Outfitters (HK1146); Material Girl with Ningbo Peacebird; Ed Hardy with Landmark International; and Ecko Unltd. with Xi Ha Clothing. These brands are collectively sold through more than 1,000 branded retail locations. In April 2016, the Company sold its interest in TangLi International, Ltd. (Ed Hardy China).

In March 2015, the Company purchased all equity interests in Iconix China owned by its partner, increasing the Company's ownership of Iconix China from 50% to 100%. Subsequently, the Company has secured traditional licensing agreements for many of its brands including Umbro, Joe Boxer, Rocawear, Rampage, Danskin and Starter.

Iconix Latin America. In December 2008, the Company formed a joint venture partnership, ("Iconix Latin America"), with New Brands, an affiliate of the Falic Group, to develop, exploit, market and license the Company's brands in the Latin American territory comprising of Mexico, Central America, South America and the Caribbean. In February 2014, the Company purchased from New Brands its 50% interest in Iconix Latin America for $42.0 million, increasing the Company's ownership to 100%. Today, Iconix Latin America has over fifty licenses, including key direct-to-retail relationships with Falabella, Renner, Wal-Mart and Suburbia. Licensed brands in this territory include Candie's, Bongo, Joe Boxer, London Fog, Mossimo, Ocean Pacific, Danskin/Danskin Now, Starter, Zoo York, Ecko Unltd., Cannon, Royal Velvet, Ed Hardy and Fieldcrest.

International Joint Ventures

The formation and administration of international joint ventures have been a central and ongoing component of our business since 2008. The Company has established and maintained the following international joint ventures: Iconix Europe, Iconix India, Iconix Canada, Iconix Australia, Iconix Southeast Asia, Iconix Israel, Iconix Middle East, Umbro China and Danskin China. The Company's primary purpose in forming international joint ventures has been to bring its brands to market more quickly and efficiently, generating greater short- and long-term value from its IP than the Company believed was possible if it were to build-out wholly-owned operations on its own across a multitude of regional or local offices. This approach has enabled its brands to more rapidly increase licensing revenue, market share and profitability than what the Company believes it could have achieved on its own.

To get best-in-class local partners to invest in and represent the Company's brands in their respective territories, the Company offers its partner the ability to buy equity interests in the IP. These equity interests provide the Company's partners with the necessary incentive to devote management time and resources to the brands. By leveraging the partners' local market expertise, retail relationships, wholesale networks, business contacts and staff, including hundreds of employees across numerous cities worldwide, the Company has significantly grown licensing royalties in key global markets, collected monies owed by licensees more effectively and maintained stricter enforcement against counterfeit products. As these businesses in each territory reach sufficient scale to support the Company's full business structure of brand management, marketing, licensing, acquisitions and finance, the Company may consider acquiring control or full ownership of the joint ventures, where possible, as was the case in Latin America in 2014 and in China in 2015.

Iconix Europe. In December 2009, the Company contributed substantially all rights to its wholly-owned brands in all member states and candidate states of the European Union, and certain other European countries, to Iconix Europe, a then newly formed wholly-owned subsidiary of the Company. Shortly thereafter, an investment group led by Albion Equity Partners LLC, purchased a 50% interest in Iconix Europe for $4 million through Brand Investments Vehicle Group 3 Limited ("BIV"). Also, as part of this transaction, Iconix Europe entered into a multi-year brand management and services agreement with The Licensing Company to assist in developing, exploiting, marketing and licensing the contributed brands in the European territory.

In January 2014, the Company consented to the purchase of BIV's 50% ownership interest in Iconix Europe by Global Brands Group Asia Limited, formerly known as LF Asia Limited ("GBG"), in exchange for $1.5 million from GBG. In addition, the Company acquired an additional 1% equity interest in Iconix Europe from GBG thereby increasing the Company's ownership in Iconix Europe to a controlling 51% interest. GBG, our joint venture partner in Iconix SE Asia, had recently acquired several licensing companies including The Licensing Company in Europe.

Iconix Europe has multiple direct-to-retail partnerships including OP with Sports Direct, Danskin with Go Sport and Danskin, Starter and London Fog with S-Group/Prisma as well as a wide range of licenses in multiple territories for key brands such as Starter, Ecko Unltd., Zoo York, Mossimo, Joe Boxer, Rocawear, Cannon, and Waverly.

Iconix India. In May 2012, the Company contributed substantially all rights to its wholly-owned and controlled brands in India to Imaginative Brand Developers Private Limited, now known as Iconix Lifestyle India Private Limited ("Iconix India"), a then newly formed subsidiary of the Company. Shortly thereafter, Reliance Brands Limited ("Reliance"), purchased a 50% interest in Iconix India for $6.0 million. Reliance is an affiliate of Reliance Industries Limited, one of India's largest private sector enterprises.

Iconix India has signed many long-term licensing partnerships with some of the largest retailing groups in India including Future Group, Arvind and Aditya Birla Nuvo and has licensed brands such as Ecko Unltd., Candie's, London Fog, Umbro, Ed Hardy and Cannon.

Iconix Canada. In June 2013, the Company contributed substantially all rights to its wholly-owned and controlled brands in Canada into two entities: Ico Brands L.P. ("Ico Brands") and Iconix Canada L.P. ("Ico Canada" and together with Ico Brands, collectively "Iconix Canada"). Shortly thereafter, through their acquisitions of limited partnership and general partnership interests, Buffalo International ULC and its affiliates purchased a 50% interest in Iconix Canada for an aggregate of $17.8 million.

Buffalo International ULC is based in Montreal, Canada and its management team has extensive experience working in the apparel industry. Since founding the Buffalo brand in 1985, the management team has established over 3,000 points of distribution for the brand. In February 2013, the Company acquired a controlling interest in the Buffalo by David Bitton brand and extended that relationship through Iconix Canada.

Iconix Canada has many direct-to-retail licenses including OP, Starter and Danskin Now at Wal-Mart, and London Fog at The Bay as well as a wide range of licenses for key brands such as Ecko Unltd., Charisma, Danskin, Rampage, Rocawear, Zoo York, Umbro, Fieldcrest, Royal Velvet, Ed Hardy, and Waverly.

Iconix Australia. In September 2013, the Company contributed substantially all rights to its wholly-owned and controlled brands in Australia and New Zealand (the "Australia Territory") to Iconix Australia, LLC ("Iconix Australia"), a then newly formed, Delaware limited liability company and a wholly-owned subsidiary of the Company, through an exclusive, royalty-free perpetual master license agreement with Iconix Australia. Shortly thereafter, Pac Brands USA, Inc. ("Pac Brands USA") purchased a 50% interest in Iconix Australia for $7.2 million from the Company to assist the Company in developing, exploiting, marketing and licensing the Company's brands in the Australia Territory.

Iconix Australia has licensed many brands in the territory including Cannon, Ecko Mossimo, Starter, Umbro, Zoo York, Fieldcrest, and Waverly.

Iconix Israel. In November 2013, the Company contributed substantially all rights to its wholly-owned and controlled brands in the State of Israel and the geographical regions of the West Bank and the Gaza Strip (together, the "Israel Territory") to Iconix Israel LLC ("Iconix Israel"), a then newly formed subsidiary of the Company through an exclusive, royalty-free perpetual master license agreement with Iconix Israel. Shortly thereafter, M.G.S. Sports Trading Limited ("MGS") purchased a 50% interest in Iconix Israel for approximately $3.4 million to assist the Company in developing, exploiting, marketing and licensing the Company's brands in the Israel Territory.

MGS, the largest wholesale apparel company in Israel, was established in 1986 by Gideon Moliov. MGS is one of Israel's leading companies in sports and fashion and they are a distributor and/or licensee for Adidas, Converse, Diadora, Superga and many other brands. MGS has over 1,500 employees and operates over 70 retail stores including Mega Sport, the largest sports chain in Israel.

MGS and its affiliated companies, have licenses for Umbro, OP and Ecko Unltd., which they distribute through their vast wholesale network and through its Mega Sport stores. Iconix Israel also includes a license with Brill Fashion for Lee Cooper, operators of over 40 Lee Cooper branded retail stores.

Iconix Southeast Asia. In October 2013, the Company contributed substantially all rights to its wholly-owned and controlled brands in Indonesia, Thailand, Malaysia, Philippines, Singapore, Vietnam, Cambodia, Laos, Brunei, Myanmar and East Timor (together, the "Southeast Asia Territory") to Lion Network Limited ("Iconix SE Asia"), a then newly formed subsidiary of the Company through an exclusive, royalty-free perpetual master license agreement with Iconix SE Asia. Shortly thereafter, GBG purchased a 50% interest in Iconix SE Asia for $10 million to assist the Company in developing, exploiting, marketing and licensing the Company's brands in the Southeast Asia Territory.

In June 2014, the Company amended Iconix SE Asia by contributing substantially all rights to its wholly-owned and controlled brands in the territory of South Korea, and the Company's Marc Ecko Cut & Sew, Ecko Unltd., Zoo York, Ed Hardy and Sharper Image brands in the European Union and Turkey, in each case, to Iconix SE Asia. In return, GBG agreed to pay the Company $15.9 million.

During September 2014, the Iconix SE Asia territory was further amended to include China, Macau, Hong Kong and Taiwan for the Umbro and Lee Cooper marks. In respect of its 50% interest in the joint venture, GBG agreed to pay the Company $21.5 million. In December 2015, the Company purchased GBG's effective 50% interest in the Umbro and Lee Cooper marks in Greater China for $24.7 million. Iconix SE Asia has licensed many key brands in the Southeast Asia Territory including Candie's, Joe Boxer, Rampage, London Fog, Cannon, Ecko Unltd., Ed Hardy, Lee Cooper, Mossimo, Rocawear, Starter, Zoo York, Umbro, Charisma, Sharper Image, Material Girl and Waverly.

Iconix Middle East and North Africa. In December 2014, the Company contributed substantially all rights to its wholly-owned and controlled brands in the United Arab Emirates, Qatar, Kuwait, Bahrain, Saudi Arabia, Oman, Jordan, Egypt, Pakistan, Uganda, Yemen, Iraq, Azerbaijan, Kyrgyzstan, Uzbekistan, Lebanon, Tunisia, Libya, Algeria, Morocco, Cameroon, Gabon, Mauritania, Ivory Coast, Nigeria and Senegal (the "MENA Territory") to Iconix MENA LTD ("Iconix MENA"), a then newly formed subsidiary of the Company through an exclusive, royalty-free perpetual master license agreement with Iconix MENA. Shortly thereafter, GBG, purchased a 50% interest in Iconix MENA for $18.8 million to assist the Company in developing, exploiting, marketing and licensing the Company's brands in the MENA Territory. In December 2016, the Company irrevocably exercised its right to acquire an additional 5% equity interest in Iconix MENA and increase the Company's ownership interest to 55%. Such acquisition closed in February 2017.

Iconix Middle East has licensed many brands in the MENA Territory including Cannon, Ecko Unltd., Fieldcrest, Starter, Umbro, Zoo York, Waverly, Royal Velvet, Ed Hardy, and Charisma and a substantial direct-to-retail license with Landmark Group for Lee Cooper.

Umbro China. In July 2016, the Company executed an agreement with MH Umbro International Co. Limited ("MHMC") to sell up to an aggregate 50% interest in a newly registered company in Hong Kong, which holds the Umbro intellectual property in respect of the Greater China territory of which the Company received $2.5 million in cash from MHMC for a 5% interest in Umbro China.

Danskin China. In October 2016, the Company entered into an agreement with Li-Ning to sell up to a 50% interest (and no less than a 30% interest) in Danskin China, which holds the Danskin trademarks and related assets in respect of mainland China and Macau. LiNing's purchase of the equity interest in Danskin China is expected to occur over a three-year period commencing on March 31, 2019.

Diamond Icon LLC. In March 2013, the Company, via Iconix Luxembourg Holdings SARL, entered into a joint venture agreement with Albion Agencies Ltd, an English limited company, in which the Company purchased a 51% interest in Diamond Icon Ltd, also an English limited company. Diamond Icon was established to design, develop and facilitate the supply of apparel, footwear and sports equipment for the Umbro brand; a service the wholesale licensees depended on that was previously provided by the former owner, Nike. The apparel, footwear and accessories developed by Diamond Icon for Umbro are distributed by wholesale licensees of the Umbro brand around the world.

Investments:

Marcy Media Holdings, LLC

In July 2013, the Company purchased a minority interest in Marcy Media Holdings, LLC ("MM Holdings"), resulting in the Company's indirect ownership of a 5% interest in Roc Nation, LLC. Founded in 2008, Roc Nation is a full-service entertainment company. Roc Nation Sports, a division of Roc Nation, launched in Spring 2013 and focuses on elevating premier professional athletes' career on and off the field by executing marketing and endorsement deals, community outreach, charitable tie-ins, media relations and brand strategy. Roc Nation entertainment and talent agency represents Kevin Durant, Robinson Cano and many other influential athletes and artists.

Complex Media Inc.

In September 2013, the Company purchased convertible preferred shares, representing on an as-converted basis as of December 31, 2014, an approximate 14.4% minority interest in Complex Media Inc. ("Complex Media"), a multi-media lifestyle company which, among other things, owns Complex magazine and its online counterpart, Complex.com. In July 2016, the Company received $35.3 million in connection with the sale of its interest in Complex Media. Refer to Note 3 in the Notes to Consolidated Financial Statements for further details.

Galore Media Inc.

In April 2016, the Company entered into agreements with Galore Media, Inc. ("Galore"), a marketing company formed in FY 2015 and still in a development stage. Under the agreements, the Company purchased 50,050 shares of Series A Preferred Stock of Galore for $0.5 million and entered into arrangements pursuant to which the Company agreed to purchase up to an aggregate $0.5 million of marketing services from Galore for the year ended December 31, 2016. In connection with the marketing services arrangement, the Company received warrants that, as the Company purchased specified levels of marketing services, became exercisable for additional shares of Galore's Series A Preferred Stock at a nominal exercise price. Upon closing of the investment on April 21, 2016, the Company exercised the initial warrant which resulted in the Company receiving an additional 46,067 shares of Series A Preferred Stock of Galore. The Series A Preferred Stock carries voting rights, and the holders of the Series A Preferred Stock have the collective right to appoint one of five members of the Board of Directors of Galore as long as there are at least 48,000 Series A Preferred Shares outstanding. Given these arrangements, the Company has an investment of approximately 11% of the equity of Galore.

Licensing Strategy

The Company's principal business strategy is to maximize the value of its brands by entering into strategic license agreements with best-in-class licensees that are responsible for designing, manufacturing and distributing the licensed products. Through our licensing business model, we have substantially eliminated inventory risk and reduced the operating exposure associated with traditional fully vertically integrated businesses, thereby resulting in attractive cash flows and operating margins.

The Company has over 1,450 licenses and has benefited from the model's scalability, which enables the Company to leverage its existing infrastructure to support new business and brands. A key objective of the Company is to capitalize on its brand management expertise and relationships to build and maintain a diversified portfolio of consumer brands that generate increasing revenues. Through our international partnerships, we have successfully built a vast network of licensees around the world that are growing our brands outside of the United States. The Company is also committed to continuously reinvesting in its global platform in order to provide licensees with preeminent brand management knowledge and services to allow all partners to benefit from being a part of the Iconix network.

The Company licenses its brands across a broad range of product categories, including fashion apparel, footwear, accessories, sportswear, home furnishings and décor, and beauty and fragrance, and in the case of our Peanuts and Strawberry Shortcake brands, a wide range of consumer products and entertainment and media services. The Company seeks licensees with the ability to produce and sell quality products in their licensed categories and to meet and exceed minimum sales and royalty payment thresholds.

The Company maintains direct-to-retail and traditional wholesale licenses. Typically, in a direct-to-retail license, the Company grants exclusive rights to one of its brands to a single national retailer for a broad range of product categories. For example, the Candie's brand is licensed exclusively to Kohl's in the United States across a variety of product categories. Direct-to-retail licenses provide retailers with proprietary rights to national brands at favorable economics. In a traditional wholesale license, the Company grants the right to a specific brand to a single or small group of related product categories to a wholesale supplier, who is permitted to sell licensed products to multiple stores within an approved distribution channel. For example, the Company licenses the Umbro brand to numerous wholesale suppliers for products ranging from athletic wear to footwear to apparel, for sale and distribution primarily to department and specialty stores.

The Company's licenses typically require the licensee to pay the Company royalties based upon net sales with guaranteed minimum royalties in the event that net sales do not reach certain specified targets. The Company's licenses also typically require the licensees to pay to the Company certain minimum amounts for the advertising and marketing of the respective licensed brands. As of January 1, 2017, the Company and its joint ventures had a contractual right to receive over $720 million of aggregate minimum licensing revenue through the balance of all of their current licenses, excluding any renewals.

The Company believes that coordination of brand presentation across product categories is critical to maintaining the strength and integrity of its brands. Accordingly, the Company typically maintains the right in its licenses to preview and approve all products, packaging and other presentations of the licensed mark. Moreover, in many of its licenses, prior to each season, representatives of the Company supply licensees with trend guidance as to the "look and feel" of the current trends for the season, including colors, fabrics, silhouettes and an overall style sensibility, and then work with licensees to coordinate the licensed products across the categories to maintain the cohesiveness of the brand's overall presentation in the market place. Thereafter, the Company obtains and approves (or objects and requires modification to) product and packaging provided by each licensee on an on-going basis. In addition, the Company communicates with its licensees throughout the year to obtain and review reporting of sales and calculation and payment of royalties.

Marketing

The Company believes marketing is a critical element in maximizing brand value to its consumers, licensees and to the Company. The Company's in-house marketing department conceives and produces omni-channel marketing initiatives for the Company's brands. These initiatives aim to increase brand awareness, positive perception and drive-engagement and conversion. The Company believes that its national campaigns result in increased sales and consumer recognition of its brands.

The Company has organized its marketing structure to better support the evolution of marketing. It consists of four areas: Social and digital marketing, public relations, creative content generation and brand management. The Company uses its in-house talent to create compelling 360° marketing campaigns that include social/digital marketing, print, outdoor, celebrity, influencers, bloggers and other innovative strategies. It also will utilize outside agencies when needed to supplement. In addition to building omni-channel campaigns, the Company works with major retail partners to provide assets for online, digital/ social and in-store marketing.

The Company maintains separate websites for each of its brands, in addition to www.iconixbrand.com to further market the brands. In addition, the Company has established an intranet for approved vendors and service providers who can access additional materials and download them through a secure network.

Many of the Company's license agreements require the payment of an advertising royalty by the licensee, and in certain cases, the Company's licensees are required to supplement the marketing of the Company's brands by performing additional advertising through trade, cooperative or other sources.

Trend direction

The Company's in-house fashion team supports the brands by providing licensees with unified trend direction, guidance and coordination of the brand image across all product categories. The fashion team is focused on identifying and interpreting the most current trends, both domestically and internationally, by helping forecast the future design and product demands of the respective brands' customers. Typically, the Company develops a trend guide, including color, print, pattern, fabrication and key silhouettes while being sensitive to the overall "DNA" of each brand. In addition, the Home division generates original designs and patterns, which both the licensees and DTR partners utilize to allow each brand their own brand identity and individual lifestyle.

This is accomplished by delivering these guides each season. The fashion team also provides insight into new emerging categories and business shifts that affect the merchandising of the brand. Often times, these new ideas can be formulated and sold as capsule collections or sub-brands into current or new retailers, based on the guidance given by the fashion and brand management team. In addition, the Company has product approval rights in most licenses and further controls the look and mix of products its licensees produce through that process. In cases where we do not hold contractual approval rights, as is the case with many direct-to-retail licensees, the brand management and fashion teams still work closely with the designers and merchants of the particular retailer to give guidance and opinions on the product aesthetic.

The team often provides bought samples from comparison shopping that inspire key items within each collection. With respect to Alberta ULC (owner of the Buffalo brand), and MG Icon (owner of the Material Girl brand), the Company has entered into arrangements with its partners to oversee and control the creative aspects of the brands, including design and brand marketing. With respect to our Umbro brand, we have created a design entity, Diamond Icon, that designs apparel and footwear products to service the needs of our global licensee network.

Key direct-to-retail licenses

For the year ended December 31, 2016, the Company's largest direct-to-retail licensees were with Wal-Mart for the OP, Starter, Danskin Now and Waverly Inspirations brands, Target for the Mossimo and Fieldcrest brands, Kohl's for the Candie's and Mudd brands and Sears/Kmart for the Joe Boxer, Bongo and Cannon brands. The relationships with these major retailers collectively represented approximately 30% of total revenue for the period.

Wal-Mart licenses

Revenue generated by the Company's four licenses with Wal-Mart accounted for, in the aggregate, 13%, 14% and 14% of the Company's revenue for the years ended December 31, 2016 ("FY 2016"), December 31, 2015 ("FY 2015") and December 31, 2014 ("FY 2014"), respectively. The following is a description of these licenses:

Danskin Now. In July 2008, the Company entered into a license agreement with Wal-Mart pursuant to which Wal-Mart was granted the exclusive right to use the Danskin Now trademark in the United States and Canada in connection with the design,

manufacture, promotion and sale of women's and girl's soft lines, including active wear, dancewear, footwear, intimate apparel, apparel accessories and fitness equipment through Wal-Mart stores and Wal-Mart.com. The current term of the license continues through December 31, 2018. The license has been renewed four prior times.

Ocean Pacific/OP. In August 2007, the Company entered into an exclusive direct-to-retail license agreement with Wal-Mart granting Wal-Mart the right to design, manufacture, sell and distribute through Wal-Mart stores and Wal-Mart.com a broad range of apparel and accessories under the Ocean Pacific/OP marks in the United States and Canada. The current term of the OP license continues through June 30, 2017. The license has been renewed three prior times. The license provides for guaranteed annual minimum royalties that Wal-Mart is obligated to pay the Company for each contract year.

Starter. In December 2007, the Company entered into a license agreement with Wal-Mart granting Wal-Mart the exclusive right to design, manufacture, sell and distribute a broad range of apparel and accessories under the Starter trademark in the United States and Canada. The current term of the Starter license continues through December 31, 2017. The license has been renewed two prior times. The license provides for guaranteed annual minimum royalties that Wal-Mart is obligated to pay the Company for each contract year.

Waverly Inspirations. In July 2014, the Company entered into a license agreement with Wal-Mart granting Wal-Mart the exclusive right to design, manufacture, sell and distribute a broad range of fabrics and crafts under the Waverly Inspirations trademark in the United States. The initial term of this license expires on January 31, 2018 with an option to renew. The license also provides for guaranteed annual minimum royalties that Wal-Mart is obligated to pay the Company for each contract year.

Target licenses

Revenue generated by the Company's licenses with Target accounted for, in the aggregate, 7%, 7% and 7% of the Company's revenue for FY 2016, FY 2015 and FY 2014, respectively. The following is a description of these licenses.

Mossimo. As part of the Company's acquisition of the Mossimo trademarks in October 2006, the Company acquired the license with Target, which was originally signed in 2000 and was subsequently amended and restated in March 2006. Pursuant to this license, as further amended, Target has the exclusive right to design, manufacture, and sell through Target stores and Target.com in the United States, its territories and possessions, a wide range of Mossimo-branded products, including men's, women's and kid's apparel, footwear and fashion accessories. The current term of the license continues through January 31, 2018, subject to Target's right to renew the license on the same terms and conditions for successive additional terms of two years each. The license also provides for guaranteed annual minimum royalties that Target is obligated to pay the Company for each contract year.

Fieldcrest. As part of the Company's acquisition of Official-Pillowtex in October 2007, the Company acquired the license with Target for the Fieldcrest brand, which commenced in March 2004. Pursuant to this license, Target has the exclusive right to design, manufacture, and sell through Target stores and Target.com in the United States and Canada a wide range of home products, including bedding, towels, rugs, furniture and dinnerware. The current term of the license continues through January 31, 2020. The license has been renewed two prior times. The license provides for guaranteed annual minimum royalties that Target is obligated to pay the Company for each contract year.

Kohl's licenses

Revenue generated by the Company's two licenses with Kohl's accounted for, in the aggregate, 6%, 6%, and 6% of the Company's revenue for FY 2016, FY 2015 and FY 2014, respectively. The following is a description of these licenses.

Candie's. In December 2004, the Company entered into a license agreement with Kohl's for an initial term of five years which continued through January 29, 2011. Pursuant to this license, Kohl's has the exclusive right to design, manufacture, sell and distribute a broad range of products under the Candie's trademark, including women's, and juniors' apparel, footwear and accessories (except prescription eyewear). The current term of the license continues through January 31, 2021 and Kohl's has the option to renew the license for five additional years. The license has been renewed two prior times. The license provides for guaranteed minimum royalties and advertising payments that Kohl's is obligated to pay the Company for each contract year.

Mudd. In November 2008, the Company entered into a license agreement with Kohl's granting Kohl's the exclusive right to design, manufacture, sell and distribute a broad range of Mudd-branded apparel and accessories in the United States and its territories. The current term of the license continues through December 31, 2020 and Kohl's has the option to renew for up to two additional consecutive terms of five years. The license provides for guaranteed minimum royalties that Kohl's is obligated to pay the Company for each contract year.

Kmart/Sears licenses

Revenue generated by the Company's three licenses with Kmart/Sears, accounted for, in the aggregate, 5%, 5% and 6% of the Company's revenue for FY 2016, FY 2015 and FY 2014, respectively. The following is a description of these licenses.

Joe Boxer. As part of the Company's acquisition of Joe Boxer in July 2005, the Company acquired the license with Kmart/Sears, which commenced in August 2001, pursuant to which Kmart/Sears was granted the exclusive right to manufacture, market and sell through Kmart stores located in the United States and its territories a broad range of products under the Joe Boxer trademark, including men's, women's and children's underwear, apparel, apparel-related accessories, footwear and home products, for an initial term that ended in 2007. In September 2006, the Company entered into a new license with Kmart/Sears that extended the initial term through December 31, 2010. The current term of the license continues through December 31, 2020 and Kmart/Sears has the option to renew the license for an additional five years. The license has been renewed two prior times. The license provides for guaranteed annual minimum royalties and provides for the expansion of Joe Boxer's distribution into Sears stores.

Cannon. In February 2008, the Company entered into a license agreement with Kmart/Sears granting Kmart/Sears the exclusive right to design, manufacture, sell and distribute a broad range of home furnishings under the Cannon trademark in the United States and Canada. The current term of this license continues through February 1, 2019. Kmart/Sears has the option to renew for up to two additional consecutive terms of five years, each contingent on Kmart/Sears meeting specified performance and minimum sale standards. The license provides for guaranteed minimum royalties that Kmart/Sears is obligated to pay the Company for each contract year. The Cannon brand was fully launched in both Kmart and Sears stores in the Company's third fiscal quarter of 2009.

Bongo. In February 2010, the Company entered into a license agreement with Kmart/Sears granting Kmart/Sears the exclusive right to design, manufacture, sell and distribute a broad range of apparel, accessories and other categories under the Bongo trademark in the United States and its territories. The current term of this license continues through February 3, 2018. The license provides for guaranteed minimum royalties that Kmart/Sears is obligated to pay the Company for each contract year. The Bongo brand was fully launched in Sears stores during the Fall 2010.

Competition

The Company's brands are all subject to extensive competition from various domestic and foreign brands. These competitors compete with the Company's licensees in terms of design, quality, price, product, advertising and service. We believe that our strong brand management platform and proven international partnerships as well as our experienced management team differentiate our Company from our competitors.

Each brand has many competitors specific to certain distribution channels that span a broad variety of product categories, including the fashion apparel, home furnishings and decor, sports and entertainment industries. For example, while Candies' may compete with respect to young women's and juniors fast-fashion in the United States at the mid-tier channel with national brands like Express and XOXO, Starter competes with brands like Russell Athletic and C9 in the athletic apparel category and Avia and And1 in the footwear category at the mass-tier channel. Additionally, a significant portion of our brands also compete with big box retailers "private-label" and/or "exclusive" brands.

Likewise, Umbro competes with global brands like Nike and Adidas in active-wear and with global and local brands in technical soccer categories while the Peanuts characters compete globally with characters owned by Disney and Viacom and locally with indigenous characters regarding all children's licensed products.

Other portfolio brands, such as Danskin, which is distributed both at the mass level (through the diffusion brand Danskin Now) and at the department and specialty store level, may have numerous competitors in different or multiple distribution channels.

The Company also faces competition in securing retail and wholesale licenses. Companies owning established brands may decide to enter into licensing arrangements with retailers or wholesalers similar to the ones the Company currently has in place, therefore creating direct competition. Similarly, the retailers that currently license our brands may decide to develop their own private labels and/or purchase brands rather than enter into license agreements with the Company.

Lastly, in America, the Company competes for acquisitions with traditional apparel, consumer and entertainment brand companies, financial buyers and other brand management companies. Throughout the rest of the world, the Company also competes for the acquisition of global brands with strategic and financial buyers.

Intellectual Property

We believe that the Company's worldwide IP portfolio, which includes trademarks, service marks, copyrights and other proprietary information, is our most valuable asset. As of December 31, 2016, we owned nearly 8,500 trademark and service mark registrations and applications – over 500 of which are domestic and over 7,500 of which are foreign. Trademarks and associated marks are registered or pending registration with the U.S. Patent and Trademark Office and in other countries throughout the world in block letter and/or logo formats, as well as in combination with a variety of ancillary marks for use with respect to a variety of product categories, including footwear, apparel, fragrance, handbags, watches and various other goods and services, including in some cases, home accessories and electronics. In the case of the Peanuts and Strawberry Shortcake brands, the trademarks are registered for a wide range of consumer products and entertainment and media services, and the Company also holds copyrights in the comic strip (in the case of Peanuts) and the characters. In addition, the Company owns numerous copyrights in its iconic Waverly and Joe Boxer patterns and designs. The Company also owns over 1,600 domain names worldwide and registers key domain names containing its trademarks.

The Company regularly monitors its IP portfolio to maintain its registrations and file new registrations as it determines are necessary, and relies primarily upon a combination of national, federal, state, and local laws, as well as contractual restrictions to protect its IP rights both domestically and internationally. The Company and its joint venture partners also work with their licensees to ensure that our trademarks are properly used and monitored.

We believe that our distinctive IP allows us to build brand recognition and attract licensees, joint venture partners and new consumers for our brands. As the Company continues to execute on its strategy for international expansion, we expect to increase our worldwide IP portfolio.

Employees

As of December 31, 2016, the Company had a total of 145 full-time employees. Of the 145 full-time employees, four were named executive officers of the Company. The remaining employees are senior managers, middle management, marketing and administrative personnel. Of the Company's 145 full-time employees, 117 employees reside in the U.S., 22 reside in Europe and, six in China. None of the Company's employees are represented by a labor union. The Company considers its relationship with its employees to be satisfactory.

Financial information about geographical areas

Revenues from external customers related to operations in the United States and foreign countries are as follows:

	FY 2016	FY 2015	FY 2014
		(000's omitted)	
Licensing revenue by geographic region:			
United States	$ 229,643	$ 250,209	$ 264,022
Japan	45,212	34,640	31,048
Other(1)	93,606	94,348	96,420
Total	$ 368,461	$ 379,197	$ 391,490

(1) No single country represented 10% of the Company's revenues in the periods presented within "Other" on this table.

For financial information regarding the Company's operating segments, see our financial statements attached hereto.

Available Information

The Company maintains a website at www.iconixbrand.com, which provides a wide variety of information on each of its brands. The Company also makes available free of charge on its website its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports filed with or furnished to the Securities and Exchange Commission, herein referred to as the SEC, under applicable law as soon as reasonably practicable after it files such material. The Company's website also contains information about its history, investor relations, governance and links to access copies of its publicly filed documents. Further, the Company has established an intranet with approved vendors and service providers who can access additional materials and download them through a secure network. In addition, there are websites for many of the Company's brands, operated by the Company or its licensees, for example, at www.candies.com, www.joeboxer.com and www.peanuts.com. The information regarding the Company's website address and/or those sites established for its brands is provided for convenience, and the Company is not including the information contained on the Company's and brands' websites as part of, or incorporating it by reference into, this Annual Report on Form 10-K.

Item 1A. Risk Factors

We operate in a changing environment that involves numerous known and unknown risks and uncertainties that could impact our operations. The following highlights some of the factors that have affected, and in the future could affect, our operations:

The failure of our licensees to adequately produce, market, import and sell products bearing our brand names in their license categories, continue their operations, renew their license agreements or pay their obligations under their license agreements could result in a decline in our results of operations.

Our revenue is almost entirely dependent on royalty payments made to us under our license agreements. Although the license agreements for our brands usually require the advance payment to us of a portion of the license fees and, in most cases, provide for guaranteed minimum royalty payments to us, the failure of our licensees to satisfy their obligations under these agreements, or their inability to operate successfully or at all, could result in their breach and/or the early termination of such agreements, their non-renewal of such agreements or our decision to amend such agreements to reduce the guaranteed minimums or sales royalties due thereunder, thereby eliminating some or all of that stream of revenue. There can be no assurances that we will not lose the licensees under our license agreements due to their failure to exercise the option to renew or extend the term of those agreements or the cessation of their business operations (as a result of their financial difficulties or otherwise) without equivalent options for replacement. Any of such failures could reduce the anticipated revenue stream to be generated by the license agreements. In addition, the failure of our licensees to meet their production, manufacturing and distribution requirements, or to be able to continue to import goods (including, without limitation, as a result of changes to laws or trade regulations, trade embargoes, labor strikes or unrest), could cause a decline in their sales and potentially decrease the amount of royalty payments (over and above the guaranteed minimums) due to us. Further, the failure of our licensees and/or their third party manufacturers, which we do not control, to adhere to local laws, industry standards and practices generally accepted in the United States in areas of worker safety, worker rights of association, social compliance, and general health and welfare, could result in accidents and practices that cause disruptions or delays in production and/or substantial harm to the reputation of our brands, any of which could have a material adverse effect on our business, financial position, results of operations and cash flows. A weak economy or softness in certain sectors including apparel, consumer products, retail and entertainment could exacerbate this risk. This, in turn, could decrease our potential revenues and cash flows.

A substantial portion of our licensing revenue is concentrated with a limited number of licensees, such that the loss of any of such licensees or their renewal on terms less favorable than today, could slow our growth plans, decrease our revenue and impair our cash flows.

Our licenses with Wal-Mart, Target, Kohl's and Kmart/Sears represent, each in the aggregate, our four largest direct-to-retail licensees during FY 2016, representing approximately 13%, 7%, 6% and 5%, respectively, of our total revenue for such period. Because we are dependent on these licensees for a significant portion of our licensing revenue, if any of them were to have financial difficulties affecting their ability to make payments, cease operations, or if any of these licensees decides not to renew or extend any existing agreement with us, or to significantly reduce its sales of licensed products under any of the agreement(s), our revenue and cash flows could be reduced substantially.

Alternatively, we may face increasing competition in the future for direct-to-retail licenses as other companies owning established brands may decide to enter into licensing arrangements with retailers similar to those we currently have in place. Furthermore, our current or potential direct-to-retail licensees may decide to more prominently promote and market competing brands, or develop or purchase other brands, rather than continue their licensing arrangements with us. In addition, increased competition could result in lower sales of products offered by our direct-to-retail licensees under our brands. If our competition for retail licenses increases, it may take us longer to procure additional retail licenses.

In addition, current challenges in the retail industry may result in lower sales by our licensees. Retail store closures may also significantly reduce sales of our licensed products and licensing revenues, inhibit our ability to successfully promote our brands and have a material negative impact on our business.

As a result of the intense competition within our licensees' markets and the strength of some of their competitors, we and our licensees may not be able to continue to compete successfully.

Many of our trademark licenses are for products in the apparel, fashion accessories, footwear, beauty and fragrance, home products and décor, consumer electronics and entertainment industries in which our licensees face intense competition, including from our other brands and licensees, as well as from third party brands and licensees. In general, competitive factors include quality, price, style, name recognition and service. In addition, various fads and the limited availability of shelf space could affect competition for

our licensees' products. Many of our licensees' competitors have greater financial, importation, distribution, marketing and other resources than our licensees and have achieved significant name recognition for their brand names. Our licensees may be unable to compete successfully in the markets for their products, and we may not be able to continue to compete successfully with respect to our licensing arrangements.

Our business is dependent on continued market acceptance of our brands and the products of our licensees bearing these brands.

Although most of our licensees guarantee minimum net sales and minimum royalties to us, a failure of our brands or of products bearing our brands to achieve or maintain market acceptance could cause a reduction of our licensing revenue and could further cause existing licensees not to renew their agreements. Such failure could also cause the devaluation of our trademarks, which are our primary IP assets, making it more difficult for us to renew our current licenses upon their expiration or enter into new or additional licenses for our trademarks. In addition, if such devaluation of our trademarks were to occur, a material impairment in the carrying value of one or more of our trademarks could also occur and be charged as an expense to our operating results.

The industries in which we compete, including the apparel industry, are subject to rapidly evolving trends and competition. In addition, consumer tastes change rapidly. The licensees under our licensing agreements may not be able to anticipate, gauge or respond to such changes in a timely manner. Failure of our licensees to anticipate, identify and capitalize on evolving trends could result in declining sales of our brands and devaluation of our trademarks. Continued and substantial marketing efforts, which may, from time to time, also include our expenditure of significant additional funds to keep pace with changing consumer demands, are required to maintain market acceptance of the licensees' products and to create market acceptance of new products and categories of products bearing our trademarks; however, these expenditures may not result in either increased market acceptance of, or licenses for, our trademarks or increased market acceptance, or sales, of our licensees' products. Furthermore, while we believe that we currently maintain sufficient control over the products our licensees' produce under our brand names through the provision of trend direction and our right to preview and approve a majority of such products, including their presentation and packaging, we do not actually design or manufacture products bearing our marks, and therefore, have more limited control over such products' quality and design than a traditional product manufacturer might have.

Our success is largely dependent on the continued service of our key personnel.

As previously disclosed, we have experienced recent turnover in our senior management team. While we are not aware of any further pending changes in key management positions, we cannot provide assurance we will effectively manage our current management transition or other future management changes we may experience. An inability to effectively manage these changes may impact our ability to retain our senior executives and other key employees, which could harm our operations. Additional turnover at the senior management level may create instability within the Company and our employees may terminate their employment, which could further impede our ability to maintain day to day operations. Such instability could also impede our ability to fully implement our business plan and growth strategy, which would harm our business and prospects.

Changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our results.

Our future effective tax rates could be adversely affected by changes in the valuation of our deferred tax assets and liabilities, or by changes in tax laws or policies, or interpretations thereof. In addition, our current global tax structure could be negatively impacted by various factors, including changes in the tax rates in jurisdictions in which we earn income or changes in, or in the interpretation of, tax rules and regulations in jurisdictions in which we operate. An increase in our effective tax rate could have a material adverse effect on our business, results of operations and financial position.

We also are subject to the continuous examination of our income tax returns by the Internal Revenue Service and other tax authorities both domestically (including state and local entities) and abroad. We regularly assess the likelihood of recovering the amount of deferred tax assets recorded on the balance sheet and the likelihood of adverse outcomes resulting from examinations by various taxing authorities in order to determine the adequacy of our provision for income taxes. We cannot guarantee that the outcomes of these evaluations and continuous examinations will not harm our reported operating results and financial conditions.

We are subject to additional risks associated with our international licensees and joint ventures.

We market and license our brands outside the United States and many of our licensees are located, and joint ventures operate, outside the United States. As a key component of our business strategy, we intend to expand our international sales, including, without limitation, through joint ventures. We and our joint ventures face numerous risks in doing business outside the United States, including: (i) unusual or burdensome foreign laws or regulatory requirements or unexpected changes to those laws or requirements; (ii) tariffs, trade protection measures, import or export licensing requirements, trade embargoes, sanctions and other trade barriers;

(iii) competition from foreign companies; (iv) longer accounts receivable collection cycles and difficulties in collecting accounts receivable; (v) less effective and less predictable protection and enforcement of our IP; (vi) changes in the political or economic condition of a specific country or region (including, without limitation, as a result of political unrest), particularly in emerging markets; (vii) fluctuations in the value of foreign currency versus the U.S. dollar and the cost of currency exchange; (viii) potentially adverse tax consequences; and (ix) cultural differences in the conduct of business. Any one or more of such factors could cause our future international sales, or distributions from our international joint ventures, to decline or could cause us to fail to execute on our business strategy involving international expansion. In addition, our business practices in international markets are subject to the requirements of the U.S. Foreign Corrupt Practices Act and all other applicable anti-bribery laws, any violation of which could subject us to significant fines, criminal sanctions and other penalties.

A portion of our revenue and net income are generated outside of the United States, by certain of our licensees and our joint ventures, in countries that may have volatile currencies or other risks.

A portion of our revenue is attributable to activities in territories and countries outside of the United States by certain of our joint ventures and our licensees. The fact that some of our revenue and certain business operations of our joint ventures and certain licensees are conducted outside of the United States exposes them to several additional risks, including, but not limited to social, political, regulatory and economic conditions or to laws and policies governing foreign trade and investment in the territories and countries where our joint ventures or certain licensees currently have operations or will in the future operate. Any of these factors could have a negative impact on the business and operations of our joint ventures and certain of our licensees operations, which could also adversely impact our results of operations. Increase of revenue generated in foreign markets may also increase our exposure to risks related to foreign currencies, such as fluctuations in currency exchange rates. Currency exchange rate fluctuations may also adversely impact our International Joint Ventures and licensees. In the past, we and our joint ventures have attempted to have contracts that relate to activities outside of the United States denominated in U.S. currency, however, we do not know to the extent that we will be able to continue this as we increase our contracts with foreign licensees. In certain instances we have entered into foreign currency hedges to mitigate our risk related to fluctuations in our contracts denominated in foreign currencies; however, we cannot predict the effect that future exchange rate fluctuations will have on our operating results.

Our licensees are subject to risks and uncertainties of foreign manufacturing and importation of goods, and the price, availability and quality of raw materials, along with labor unrest at shipping/receiving ports, could interrupt their operations or increase their operating costs, thereby affecting their ability to deliver goods to the market, reduce or delay their sales and decrease our potential royalty revenue.

Substantially all of the products sold by our licensees are manufactured overseas and there are substantial risks associated with foreign manufacturing and importation, including changes in laws and policies relating to quotas and current and proposed international trade agreements, the payment of tariffs and duties, fluctuations in foreign currency exchange rates, shipping delays, labor unrest that could hinder or delay shipments, effects on the ability to import goods or the cost associated with such importation and international political, regulatory and economic developments. Further, our licensees may experience fluctuations in the price, availability and quality of fabrics and raw materials used by them in their manufactured or purchased finished goods. Any of these risks could increase our licensees' operating costs. Our licensees also import finished products and assume all risk of loss and damage with respect to these goods once they are shipped by their suppliers. If these goods are destroyed or damaged during shipment, the revenue of our licensees, and thus our royalty revenue over and above the guaranteed minimums, could be reduced as a result of our licensees' inability to deliver or their delay in delivering their products.

We participate in international joint ventures which we do not typically legally control.

We participate in a number of International Joint Ventures, some of which we do not control. As we continue to expand our business and execute our strategy for growth, we expect to enter into additional International Joint Ventures in the future. Joint ventures pose an inherent risk. Regardless of whether we hold a majority interest in or directly control the management of our International Joint Ventures, our partners may have business goals and interests that are not aligned with ours, exercise their rights in a manner of which we do not approve, be unable to fulfill their obligations under the joint venture agreements, or exploit our trademarks in a manner that harms the overall quality and image of our brands. In addition, an International Joint Venture partner may simply be unable to identify licensees for our brands. In these cases, the termination of an arrangement with an International Joint Venture partner or an International Joint Venture partners' failure to build the business could result in the delay of our expansion in a particular market or markets, and will not allow us to achieve the worldwide growth that we seek on our current timeline. We may not be able to identify another suitable partner for an International Joint Venture in such market or markets, which could result in further delay, and could materially and adversely affect our business and operating results.

A sale of our trademarks or other IP related to our brands in a foreign jurisdiction could have a negative effect on the brands in other jurisdictions or worldwide.

From time to time, we may sell IP related to our brands to a third party in a foreign territory, where we do not intend to exploit the brand. In these instances, we enter into co-existence agreements with any such third party, the terms of which require that the sold IP be exploited in a manner befitting the brand image and prestige. Though we try to limit our potential exposure related to potential misuse of the IP, we cannot ensure that third parties will comply with their contractual requirements or that they will use the IP in an appropriate manner. Any misuse by a third party of IP related to our brands could lead to a negative perception of our brands by current and potential licensees, International Joint Venture partners or consumers, and could adversely affect our ability to develop the brands and meet our strategic goals. This, in turn, could decrease our potential revenue.

The terms of our debt agreements have restrictive covenants and our failure to comply with any of these could put us in default, which would have an adverse effect on our business and prospects, and could cause us to lose title to our key IP assets.

Unless and until we repay all outstanding borrowings under our securitized debt, we will remain subject to the restrictive terms of these borrowings. The securitized debt, under which certain of our wholly-owned subsidiaries (the "ABS Co-Issuers") issued and guaranteed the Senior Secured Notes and a revolving financing facility consisting of variable funding notes, herein referred to as Variable Funding Notes, contain a number of covenants, with the most significant financial covenant being a debt service coverage calculation. These covenants limit the ability of certain of our subsidiaries to, among other things:

- sell assets;
- engage in mergers, acquisitions and other business combinations;
- declare or pay distributions on their limited liability company interests;
- incur, assume or permit to exist additional indebtedness or guarantees; and
- incur liens.

These restrictions could reduce our liquidity and thereby affect our ability to pay dividends or repurchase shares of our common stock. The securitized debt requires us to maintain a specified financial ratio relating to available cash to service the borrowings at the end of each fiscal quarter. Our ability to meet this financial ratio can be affected by events beyond our control, and we may not satisfy such a test. A breach of this covenant could result in a rapid amortization event or default under the securitized debt.

In the event that a rapid amortization event occurs under the indenture (including, without limitation, upon an event of default under the indenture or the failure to repay the securitized debt at the end of the five year interest-only period), the funds available to us would be reduced or eliminated, which would in turn reduce our ability to operate or grow our business.

Furthermore, a reserve account has been established for the benefit of the secured parties under the indenture for the purpose of trapping cash upon the occurrence of our failure to maintain a specified financial ratio at the end of each fiscal quarter. Once it commences, such cash trapping period would extend until the quarterly payment date on which that financial ratio becomes equal to or exceeds the minimum ratio. In the event that a cash trapping period commences, the funds available for the ABS Co-Issuers to pay amounts to us will be reduced or eliminated, which would in turn reduce our ability to support our business.

In an event of default, all unpaid amounts under the Senior Secured Notes and Variable Funding Notes could become immediately due and payable at the direction or consent of holders of a majority of the outstanding Senior Secured Notes. Such acceleration of our debt could have a material adverse effect on our liquidity if we are unable to negotiate mutually acceptable terms with our lenders or if alternate funding is not available to us.

Furthermore, if amounts owed under the securitized debt were to become accelerated because of a failure to meet the specified financial ratio or to make required payments, the holders of our Senior Secured Notes would have the right to foreclose on the Candie's, Bongo, Joe Boxer, Rampage, Mudd, London Fog, Mossimo, Ocean Pacific/OP, Danskin/Danskin Now, Rocawear, Cannon, Fieldcrest, Royal Velvet, Charisma, Starter and Waverly trademarks in the United States and Canada (with the exception of the London Fog brand for outerwear in the United States); on our joint venture interests in Hardy Way, MG Icon, ZY Holdings and Peanuts; on the equity interests in certain of our subsidiaries; and on other related assets securing the notes.

The Credit Agreement in respect to our Senior Secured Term Loan (as hereinafter defined), also contains a number of covenants that restrict our ability and the ability of certain of our wholly-owned subsidiaries, their subsidiaries and certain joint ventures to, among other things:

- grant liens on certain assets;
- consummate specified types of acquisitions or acquisitions requiring cash consideration in excess of specified amounts;
- make fundamental changes (including mergers and consolidations);
- make restricted payments; and
- incur or prepay certain indebtedness.

In addition, our wholly-owned subsidiary IBG Borrower LLC, as borrower ("IBG Borrower"), must maintain a specified minimum asset coverage ratio and leverage ratio.

In an event of default under the Credit Agreement, in addition to the interest rate increasing by an additional 3% per year, all unpaid amounts under the Credit Agreement could be immediately due and payable at the direction or consent of lenders holding more than 50% of the then-outstanding principal of the Senior Secured Term Loan. The proceeds of the Senior Secured Term Loan must be used to pay the Company's obligations on the 2.50% Convertible Notes. An acceleration of our debt could have a material adverse effect on our liquidity if we are unable to negotiate mutually acceptable terms with our lenders or if alternate funding is not available to us to satisfy our obligation under the 2.50% Convertible Notes or other debt obligations as they come due.

If a manager termination event under the management agreement were to occur we could lose control over the management of the IP assets owned by the ABS Co-Issuers and there can be no assurance that a successor manager would properly manage the assets.

We serve as the manager under a management agreement with the ABS Co-Issuers. Our primary responsibility under this agreement is to perform or otherwise assist each ABS Co-Issuer in performing its duties and obligations, including certain licensing, IP and operational functions. Pursuant to the management agreement, if we perform or fail to perform certain acts (herein referred to as Manager Termination Events) all of our rights, powers, duties, obligations and responsibilities under the management agreement can be terminated.

There can be no assurance that if we are terminated pursuant to the terms of the management agreement a successor manager can be identified and retained that is capable of managing all or a portion of the IP assets, or that can perform its obligations with the same level of experience and expertise as we do. A failure to continue managing our IP assets as they are currently managed could have a material adverse effect on our business and could result in a decline in our results of operations.

We may not be able to pay the cash portion of the conversion price upon any conversion of the principal amounts of our convertible notes, which would constitute an event of default with respect to such notes and could also constitute a default under the terms of our other debt.

We may not have sufficient cash to pay, or may not be permitted to pay, the cash portion of the consideration that we will be required to pay when our 1.50% Convertible Notes become due in March 2018, ("1.50% Convertible Notes"). Upon conversion of our 1.50% Convertible Notes, we will be required to pay to the holder of each such notes a cash payment equal to the par value of those convertible notes. As a result, we will be required to pay a minimum of $295.1 million in cash to holders of the 1.50% Convertible Notes upon conversion.

If we do not have sufficient cash on hand at the time of conversion, we may have to raise funds through additional debt or equity financing. Our ability to raise such financing will depend on prevailing market conditions. Further, we may not be able to raise such additional financing within the period required to satisfy our obligation to make timely payment upon any conversion. In addition, the terms of any current or future debt may prohibit us from making these cash payments or otherwise restrict our ability to make such payments and/or may restrict our ability to raise any such financing. In particular, the terms of our Senior Secured Notes restrict the amount of proceeds from collateral pledged to secure our obligations thereunder that may be used by us to make payments in cash under certain circumstances, including payments to the convertible note holders upon conversion. Further, the terms of our Senior Secured Term Loan restrict our ability to repurchase or repay the 1.50% Convertible Notes in the event we do not maintain a minimum asset coverage ratio and a specified amount of domestic unrestricted cash. A failure to pay the required cash consideration upon conversion or maturity would constitute an event of default under the indenture governing the convertible notes, which could constitute a default under the terms of our other debt.

Convertible note hedge and warrant transactions that we have entered into may affect the value of our common stock.

In connection with the initial sale of our 1.50% Convertible Notes we purchased convertible note hedges, herein referred to as 1.50% Convertible Note Hedges, from affiliates of Barclays PLC, herein referred to as the 1.50% Hedge Counterparties. At such time, the hedging transactions were expected, but were not guaranteed, to eliminate the potential dilution upon conversion of the 1.50% Convertible Notes. Concurrently, we entered into warrant transactions with the 1.50% Hedge Counterparties, herein referred to as the 1.50% Sold Warrants.

Moreover, in connection with the 1.50% Sold Warrants, to the extent that the price of our common stock exceeds the strike price of the 1.50% Sold Warrants, the warrant transaction could have a dilutive effect on our earnings per share which may affect the value of our common stock.

Our existing and future debt obligations could impair our liquidity and financial condition, and in the event we are unable to meet our debt obligations we could lose title to certain trademarks.

As of December 31, 2016, our consolidated balance sheet reflects debt of approximately $1,254.2 million, including secured debt of $751.8 million under our Senior Secured Notes and Variable Funding Notes. In accordance with ASC 470, our 1.50% Convertible Notes are included in our $1,254.2 million of consolidated debt at a net debt carrying value of $277.5 million; however, the principal amount owed to the holders of our 1.50% Convertible Notes is $295.1 million (due March 2018). In addition, in March 2016, we entered into the Credit Agreement pursuant to which the lenders thereto are providing us a Senior Secured Term Loan which is scheduled to mature in 2021, the net cash proceeds of which were used in June 2016 to satisfy the Company's obligations under the 2.50% Convertible Notes. We may also assume or incur additional debt, including secured debt, in the future in connection with, or to fund, future acquisitions or refinance our existing debt obligations. Our debt obligations:

- could impair our liquidity;
- could make it more difficult for us to satisfy our other obligations;
- require us to dedicate a substantial portion of our cash flow to payments on our debt obligations, which reduces the availability of our cash flow to fund working capital, capital expenditures and other corporate requirements;
- could impede us from obtaining additional financing in the future for working capital, capital expenditures, acquisitions and general corporate purposes;
- impose restrictions on us with respect to the use of our available cash, including in connection with future acquisitions;
- make us more vulnerable in the event of a downturn in our business prospects and could limit our flexibility to plan for, or react to, changes in our licensing markets; and
- could place us at a competitive disadvantage when compared to our competitors who have less debt and/or less leverage.

In addition, as of December 31, 2016, approximately $68.5 million, or 21%, of our total cash (including restricted cash) was held in foreign subsidiaries. Our investments in these foreign subsidiaries are considered indefinitely reinvested and unavailable for the payment of any U.S. based expenditures, including debt obligations. Any repatriation of cash from these foreign subsidiaries may require the accrual and payment of U.S. federal and certain state taxes, which could negatively impact our results of operations and/or the amount of available funds. While we currently have no intention to repatriate cash from these subsidiaries, should the need arise domestically, there is no guarantee that we could do so without adverse consequences.

While we believe that by virtue of the cash on our balance sheet as of December 31, 2016, and the guaranteed minimum and percentage royalty payments due to us under our licenses, we will generate sufficient revenue from our licensing operations to satisfy our obligations for the foreseeable future. In the event that we were to fail in the future to make any required payment under agreements governing our indebtedness or fail to comply with the financial and operating covenants contained in those agreements, we would be in default regarding that indebtedness. A debt default could significantly diminish the market value and marketability of our common stock and could result in the acceleration of the payment obligations under all or a portion of our consolidated indebtedness.

We may not be able to maintain our current credit rating and our access to capital markets may be limited as a result.

Our credit ratings are periodically reviewed and updated by nationally recognized credit rating agencies and are based on our operating performance, liquidity and leverage ratios, overall financial position, and other factors viewed by the credit rating agencies as relevant to our industry and the economic outlook in general. Our credit rating can affect the amount of capital we can access, as well as the terms of any future financing we may obtain. There is no guarantee our credit ratings will remain the same. If rating agencies make adverse changes to our credit ratings, it could adversely impact our ability to access the debt markets, our cost of funds, and other terms for new debt issuances.

The market price of our common stock has been, and may continue to be, volatile, which could reduce the market price of our common stock.

The publicly traded shares of our common stock have experienced, and may continue to experience, significant price and volume fluctuations. This market volatility could reduce the market price of our common stock, regardless of our operating performance. In addition, the trading price of our common stock could change significantly over short periods of time in response to actual or anticipated variations in our quarterly operating results, announcements by us, our licensees or our respective competitors, factors affecting our licensees' markets generally and/or changes in national or regional economic conditions, making it more difficult for shares of our common stock to be sold at a favorable price or at all. The market price of our common stock could also be reduced by general market price declines or market volatility in the future or future declines or volatility in the prices of stocks for companies in the trademark licensing business or companies in the industries in which our licensees compete.

Future issuances of our common stock may cause the prevailing market price of our shares to decrease.

We have issued a substantial number of shares of common stock that are eligible for resale under Rule 144 of the Securities Act of 1933, as amended, or Securities Act, and that may become freely tradable. We may, in the future, issue additional shares of our common stock. We have also already registered a substantial number of shares of common stock that are issuable upon the exercise of options and warrants and have registered for resale a substantial number of restricted shares of common stock issued in connection with our acquisitions. If the holders of our options and warrants choose to exercise their purchase rights and sell the underlying shares of common stock in the public market, or if holders of currently restricted shares of our common stock choose to sell such shares in the public market under Rule 144 or otherwise, the prevailing market price for our common stock may decline. The sale of shares issued upon the exercise of our derivative securities or other issuances of our common stock could also further dilute the holdings of our then existing stockholders, including holders of the convertible notes that receive shares of our common stock upon conversion of their notes. In addition, future issuances of shares of our common stock could impair our ability to raise capital by offering equity securities.

We do not anticipate paying cash dividends on our common stock in the short term.

An investor should not rely on an investment in our common stock to provide dividend income in the short term, as we have not paid any cash dividends on our common stock and do not plan to pay any in the foreseeable future. Instead, we plan to retain any earnings to maintain and expand our existing licensing operations, further develop our trademarks and finance the acquisition of additional trademarks. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any return on their investment.

We have a material amount of goodwill and other intangible assets, including our trademarks, recorded on our balance sheet. As a result of changes in market conditions and declines in the estimated fair value of these assets, we may, in the future, be required to write down a portion of this goodwill and other intangible assets and such write-down would, as applicable, either decrease our net income or increase our net loss.

As of December 31, 2016, goodwill represented approximately $224.3 million, or approximately 11.2% of our total consolidated assets, and trademarks and other intangible assets represented approximately $1,208.2 million, or approximately 60.2% of our total consolidated assets. Under current U.S. GAAP accounting standards, goodwill and indefinite life intangible assets, including some of our trademarks, are no longer amortized, but instead are subject to impairment evaluation based on related estimated fair values, with such testing to be done at least annually.

Based on the results of the Company's annual impairment testing during the fourth quarter for the year ended December 31, 2016, the Company has determined that certain intangible assets across all operating segments are impaired.

There can be no assurance that any future downturn in the business of any of the Company's operating segments will not result in a further write-down of goodwill or trademarks, which would either decrease the Company's net income or increase the Company's net loss, which may or may not have a material impact to the Company's consolidated statement of operations.

A depressed market capitalization may result in impairment charges in the future.

In the fourth quarter of fiscal 2016, the Company recognized a non-cash impairment charge, related to the write-off of certain of our trademarks and goodwill, in the amount of approximately $443.2 million. A significant portion of the trademark impairment was indirectly driven by the Company's continuing decreased market capitalization relative to its net book value. Though we will continue to closely monitor events and circumstances that could trigger any future impairment, factors such as uncertainty in overall market conditions or our failure to successfully execute our business strategy could have a further negative effect on the price of our common stock, leading to continued decreases in our market capitalization and further non-cash impairment charges in the future.

Changes in our business segments could cause impairment charges in the future.

Goodwill is tested for impairment at the reporting unit or segment level and is required to be tested for impairment annually, and more frequently if events or circumstances indicate that it is more likely than not that the fair value of a reporting unit or segment is less than its carrying amount. Beginning in the fourth quarter of 2016, the Company changed its reporting segments to reflect a separate International segment as a result of the manner in which the Company manages its business. Previously, international data was reflected in each of our Men's, Women's and Home segments. In the fourth quarter of 2016, the Company recognized a non-cash impairment charge of approximately $443.2 million related to the write-off of certain of our trademarks and goodwill, which impairment charge is partly attributable to such change in segment reporting. The change in the Company's reporting segments necessitated its reallocation of the value of certain trademarks and goodwill across the new segments, resulting in such non-cash impairment charge. While the Company does not anticipate any future changes in its reporting segments, we cannot ensure that future changes in the manner in which we operate our business may not necessitate a reallocation of our business segments. We also cannot ensure that any change in the Company's segments will not result in impairment charges, which may adversely affect our operating results and financial condition.

Our failure to protect our proprietary rights could compromise our competitive position and result in cancellation, loss of rights or diminution in value of our brands.

We monitor on an ongoing basis unauthorized filings of our trademarks and imitations thereof, and rely primarily upon a combination of U.S., Canadian and other international federal, state and local laws, as well as contractual restrictions to protect and enforce our IP rights. We believe that such measures afford only limited protection and, accordingly, there can be no assurance that the actions taken by us to establish, protect and enforce our trademarks and other proprietary rights will prevent infringement of our IP rights by others, or prevent the loss of licensing revenue or other damages caused therefrom.

For instance, despite our efforts to protect and enforce our IP rights, unauthorized parties may misappropriate or attempt to copy aspects of our IP, which could harm the reputation of our brands, decrease their value and/or cause a decline in our licensees' sales and thus our revenue. Further, we and our licensees may not be able to detect infringement of our IP rights quickly or at all, and at times we or our licensees may not be successful combating counterfeit, infringing or knockoff products, thereby damaging our competitive position. In addition, we depend upon the laws of the countries where our licensees' products are sold to protect our IP. IP rights may be unavailable or limited in some countries because standards of register ability vary internationally. Consequently, in certain foreign jurisdictions, we have elected or may elect not to apply for trademark registrations. If we fail to timely file a trademark application in any such country, we may be precluded from obtaining a trademark registration in such country at a later date. Failure to adequately pursue and enforce our trademark rights could damage our brands, enable others to compete with our brands and impair our ability to compete effectively.

In addition, our license agreements provide our licensees with rights to our trademarks and contain provisions requiring our licensees to comply with certain standards to be monitored by us. Our failure to adequately monitor our licensees' compliance with the license agreements or take appropriate corrective action when necessary may subject our IP assets to cancellation, loss of rights or diminution in value.

Further, the rights to our brands in our International Joint Venture territories are controlled primarily through our joint ventures in these regions. While we believe that our partnerships in these areas will enable us to better protect our trademarks in the countries covered by the ventures, we do not control all of our joint venture companies and thus most decisions relating to the use and enforcement of the marks in these countries will be subject to the approval of our local partners.

We also own the exclusive right to use various domain names containing or relating to our brands. There can be no assurances that we will be able to prevent third parties from acquiring and maintaining domain names that infringe or otherwise decrease the value of our trademarks. Failure to protect our domain names could adversely affect our brands which could cause a decline in our licensees' sales and the related revenue and in turn decrease the amount of royalty payments (over and above the guaranteed minimums) due to us.

Entertainment brands, by their nature, require a continuing stream of content to remain relevant. Failure to cause the development and exploitation of content relating to our entertainment brands may result in the value of those brands diminishing.

Third-party claims regarding our intellectual property assets could result in our licensees being unable to continue using our trademarks, which could adversely impact our revenue or result in a judgment or monetary damages being levied against us or our licensees.

We may be subject to legal proceedings and claims, including claims of alleged infringement or violation of the patents, trademarks and other intellectual property rights of third parties. In the future, we may be required to assert infringement claims against third parties or third parties may assert infringement claims against us and/or our licensees. To the extent that any of our intellectual property assets is deemed to violate the proprietary rights of others in any litigation or proceeding or as a result of any claim, then we and our licensees may be prevented from using it, which could cause a breach or termination of certain license agreements. If our licensees are prevented from using our trademarks, this could adversely impact the revenue of our licensees with respect to those IP assets, and thus the royalty payments over and above the guaranteed minimums could be reduced as a result of the licensees' inability to continue using our trademarks. Litigation could also result in a judgment or monetary damages being levied against us and our licensees. Further, if we, our International Joint Ventures or our licensees are alleged to have infringed the IP rights of another party, any resulting litigation could be costly and could damage the Company's reputation. There can be no assurance that we, our International Joint Ventures or our licensees would prevail in any litigation relating to our IP.

We may not be able to establish or maintain our trademark rights and registrations, which could impair our ability to perform our obligations under our license agreements, which could cause a decline in our licensees' sales and potentially decrease the amount of royalty payments (over and above the guaranteed minimums) due to us.

While we intend to take reasonable steps to protect our trademark rights, it may not be possible to obtain or maintain legal protection and registrations for all of our trademarks for all forms of goods and services based on certain facts, such as the timing of our or our predecessors' entrance into the market or the fact that a third party previously adopted a similar mark for use in connection with a similar set of goods or services. As a result, it may be difficult or not possible for our trademarks to be registered or even protected so as to prohibit third party use in a particular manner. Moreover, third parties may challenge or seek to oppose or cancel existing trademark applications or registrations, and we cannot guarantee we will succeed against such challenges. Any failure to secure and maintain rights and registrations could impair our ability to perform our obligations under the license agreements, enter new product or service categories or could affect our ability to enter into new license agreements or renew existing license agreements, both of which could cause a decline in our licensees' sales and potentially decrease the amount of royalty payments (over and above the guaranteed minimums) due to us.

If we are unable to identify and successfully acquire additional brands and trademarks, our growth may be limited, and, even if additional trademarks are acquired, we may not realize anticipated benefits due to integration or licensing difficulties.

A key component of our growth strategy is the acquisition of additional brands and trademarks. Historically, we have been involved in numerous acquisitions of varying sizes. We continue to explore new acquisitions. We generally compete with traditional apparel and consumer brand companies, other brand management companies and private equity groups for brand acquisitions. However, as more of our competitors continue to pursue our brand management model, competition for specific acquisition targets may become more acute, acquisitions may become more expensive and suitable acquisition candidates could become more difficult to find. In addition, even if we successfully acquire additional trademarks or the rights to use additional trademarks, we may not be able to achieve or maintain profitability levels that justify our investment in, or realize planned benefits with respect to, those additional brands.

Although we seek to temper our acquisition risks by following acquisition guidelines relating to the existing strength of the brand, its diversification benefits to us, its potential licensing scale and credit worthiness of the licensee base, acquisitions, whether they be of additional IP assets or of the companies that own them, entail numerous risks, any of which could detrimentally affect our results of operations and/or the value of our equity. These risks include, among others:

- unanticipated costs associated with the target acquisition;
- appropriately valuing the target acquisition and analyzing its marketability;

- negative effects on reported results of operations from acquisition related charges and amortization of acquired intangibles;
- diversion of management's attention from other business concerns;
- the challenges of maintaining focus on, and continuing to execute, core strategies and business plans as our brand and license portfolio grows and becomes more diversified;
- adverse effects on existing licensing and joint venture relationships;
- potential difficulties associated with the retention of key employees, and the assimilation of any other employees, who may be retained by us in connection with or as a result of our acquisitions; and
- risks of entering new domestic and international markets (whether it be with respect to new licensed product categories or new licensed product distribution channels) or markets in which we have limited prior experience.

When we acquire IP assets or the companies that own them, our due diligence reviews are subject to inherent uncertainties and may not reveal all potential risks. Although we generally attempt to seek contractual protections through representations, warranties and indemnities, we cannot be sure that we will obtain such provisions in our acquisitions or that such provisions will fully protect us from all unknown, contingent or other liabilities or costs. Finally, claims against us relating to any acquisition may necessitate our seeking claims against the seller for which the seller may not, or may not be able to, indemnify us or that may exceed the scope, duration or amount of the seller's indemnification obligations.

Acquiring additional trademarks could also have a significant effect on our financial position and could cause substantial fluctuations in our quarterly and yearly operating results. Acquisitions could result in the recording of significant goodwill and intangible assets on our financial statements, the amortization or impairment of which would reduce our reported earnings in subsequent years. No assurance can be given with respect to the timing, likelihood or financial or business effect of any possible transaction. As a result, there is no guarantee that our stockholders will achieve greater returns as a result of any future acquisitions we complete.

We may require additional capital to finance the acquisition of additional brands and our inability to raise such capital on beneficial terms or at all could restrict our growth.

We may, in the future, require additional capital to help fund all or part of potential acquisitions. If, at the time required, we do not have sufficient cash to finance those additional capital needs, we will need to raise additional funds through equity and/or debt financing. We cannot guarantee that, if and when needed, additional financing will be available to us on acceptable terms or at all. Further, if additional capital is needed and is either unavailable or cost prohibitive, our growth may be limited as we may need to change our business strategy to slow the rate of, or eliminate, our expansion plans. In addition, any additional financing we undertake could impose additional covenants upon us that restrict our operating flexibility, and, if we issue equity securities to raise capital or as acquisition consideration, our existing stockholders may experience dilution or the new securities may have rights senior to those of our common stock.

We are subject to local laws and regulations in the U.S. and abroad.

We are subject to U.S. federal, state and local laws and regulations affecting our business. Our International Joint Ventures are subject to similar regulations in the countries where they operate. While we actively identify and monitor our obligations and the applicability of all laws to ensure that we are compliant and our contractual arrangements with our International Joint Venture partners require them to do the same, our efforts to maintain compliance with local laws and regulations may require us to incur significant expenses, and our failure to comply with such laws may expose us to potential liability. In addition, our ability to operate or compete effectively, as well as our financial results, could be adversely affected by the introduction of new laws, policies or regulations; changes in the interpretation or application of existing laws, policies and regulations; or our failure to obtain required regulatory approvals.

We may be a party to litigation in the normal course of business, which could affect our financial position and liquidity.

From time to time, we may be made a party to litigation in the normal course of business. For example, as the owner of a trademark, we may be named as a defendant in a lawsuit relating to a product designed and manufactured by a licensee of that trademark. In most cases, our licensees under the existing license agreements are obligated to defend and indemnify us, as licensor, and our affiliates with respect to such litigation. In addition, while third parties could assert infringement claims involving our trademarks, we believe our trademarks are not subject to significant litigation risk because they are widely known and well-established trademarks, which have been consistently used by us and the previous owners. We also maintain insurance for certain risks, but it is

not possible to obtain insurance to protect against all possible liabilities. Although historically the litigation involving us has not been material to our financial position or our liquidity, any litigation has an element of uncertainty and if any such litigation were to be adversely determined and/or a licensee were to fail to properly indemnify us and/or we did not have appropriate insurance coverage, such litigation could affect our financial position and liquidity.

We have been named in securities litigations, which could be expensive and could divert our management's attention. There may be additional class action and/or derivative claims.

We have been named as defendants in three securities actions filed in the Southern District of New York, one common law action filed in New York State Civil Court, New York County and five shareholder derivative claims have been filed on behalf of the Company, three which were filed in New York State Supreme Court and two of which were filed in the Southern District of New York, each as described in Note 9 to our Consolidated Financial Statements contained in this Annual Report on Form 10-K. While we plan to vigorously defend the securities and common law actions and seek to dismiss the derivative claims, we may be unable to defend or settle these claims on favorable terms, and there can be no assurance that additional claims will not be made by other stockholders. The pending and any future securities claims or derivate suits could be costly and could harm our reputation and business. An adverse determination could materially and negatively affect the Company. Our insurance coverage may not be adequate or available for us to avoid or limit our exposure in the pending actions or in future claims and adequate insurance coverage may not be available in sufficient amounts or at a reasonable cost in the future. Additionally, securities and derivative claims may divert our management's attention from other business concerns, which could seriously harm our business. Finally, the market price of our common stock may be volatile, and in the past companies that have experienced volatility in the market price of their stock have been subject to securities and/or derivative litigation.

We were engaged in a comment letter process with the SEC Staff and undertook an internal review of our financial statements, which resulted in our Board, Audit Committee and current management restating certain of our historical financials. In addition, we have received a formal order of investigation from the SEC. Restatements of financial statements and results of the SEC's investigation has had and could continue to have a negative effect on our business and stock price.

As previously disclosed, the Company was engaged in a comment letter process with the staff (the "Staff") of the SEC relating to the Annual Report on Form 10-K for the year ended December 31, 2014. The Staff's comments related to (i) the accounting treatment for the formation of the Company's International Joint Ventures under United States Generally Accepted Accounting Principles (US GAAP) and whether such joint ventures should have been consolidated in our historical results and (ii) calculation of cost basis attributable to trademarks. As previously disclosed, on November 4, 2016, the Company received a letter from the Staff of the U.S. Securities and Exchange Commission – Division of Corporate Finance, formally communicating that the Staff has completed its ongoing review of the Company's Forms 10-K for the years ended December 31, 2013 through 2015.

As a result of the Staff comment letter process, as previously disclosed, we have restated our historical financial statements in respect of the fiscal years ended December 31, 2013 and 2014 which addresses the following accounting matters: (i) consolidate the financial statements of the Iconix Canada, Iconix Israel, Iconix Southeast Asia, Iconix MENA and LC Partners US joint ventures with the Company's financial statements, and eliminate the previously reported gains on sale which were recorded at the time these transactions were consummated (including subsequent June 2014 and September 2014 transactions with respect to Iconix Southeast Asia), (ii) record the recalculated cost basis of the trademarks contributed to certain joint ventures which are recorded under the equity method of accounting at the time of consummation of the transactions, (iii) record the recalculated cost basis of the Umbro brand in the territory of Korea (which closed in December 2013) and the e-commerce and U.S. catalog rights in respect of the Sharper Image brand (which closed in June 2014) to determine the amount of the gain that should have been recorded at the time of the sale, (iv) reclassify the presentation of its statement of operations to reflect gains on sales of trademarks (to joint ventures or third parties) as a separate line item above the Operating Income line, and not as revenue as historically reflected, (v) reclassify the Equity Earnings on Joint Ventures line to above the Operating Income line, from its previous location within the Other Expenses section.

In conjunction with the Company's consolidation of the joint ventures noted above, the Company also adjusted its historical financial statements to properly reflect the consideration from joint venture partners ("the redemption value") as redeemable non-controlling interest for the Iconix Southeast Asia, Iconix MENA and LC Partners US joint ventures as of the date of the formation of the joint venture. For each period subsequent to the formation of the joint venture, the Company will accrete the change in redemption value up to the date that the joint venture partner has the right to redeem its respective put option. Additionally, in accordance with the applicable accounting guidance, the notes receivable, net of discount, received from our joint venture partners as part of the consideration related to the formation of consolidated joint ventures will be netted against non-controlling interest or redeemable non-controlling interest, as applicable.

In addition, in November 2015 we completed restatements of our historical financial statements in respect of (i) the fourth quarter and annual results of 2013, (ii) the 2014 fiscal year and each quarterly period thereof, and (iii) the first and second quarters of 2015, to correct certain historical errors in accounting.

Additionally, during the preparation of the FY 2015 financial statements, the Company restated certain of its historical financial statements due to errors in accounting related to inadequate support for revenue recognition, the classification of contractually obligated expenses as selling expenses as opposed to netting such expenses with revenue and the inadequate estimation of accruals related to retail support for certain license agreements. Further, the Company noted there were inadequate review controls over historical complex accounting transactions. As a result, the Company recorded adjustments to (i) reduce licensing revenue and remeasurement gains associated with the review of various historical accounting transactions and (ii) record a liability for a royalty credit earned by a specific licensee in accordance with its license agreement.

Our business may be harmed as a result of all such financial restatements noted above, including as a result of adverse publicity, litigation, SEC proceedings or exchange delisting. While we have taken measures to prevent future restatements, we cannot be certain that the measures we have taken as part of the restatement process will ensure that restatements will not occur in the future. These restatements may affect investor confidence in the accuracy of our financial disclosures and may raise reputational issues for our business.

The restatement process was resource-intensive, has involved a significant amount of attention from management, and has resulted in significant costs to the Company. Any future inquiries from the SEC or otherwise as a result of the restatement of our historical financial statements will, regardless of the outcome, likely consume a significant amount of our internal resources and result in additional legal and accounting costs. These fees and expenses, as well as the substantial time devoted by our current management to make such filings with the SEC, could have a material adverse effect on our business, profitability and financial condition.

These restatements also may result in additional litigation. We may incur additional substantial defense costs regardless of the outcome of such litigation. Likewise, such events might cause a diversion of our current management's time and attention. If we do not prevail in any such litigation, we could be required to pay substantial damages or settlement costs.

The Company has and will continue to fully cooperate with the SEC's investigation. However, there can be no guarantee as to the amount of internal and external resources we may need to devote to responding to any further requests we may receive from the SEC. In this regard, the legal and accounting fees and expenses we may incur, or the timeline for resolution or the ultimate outcome of the investigation. In addition, if the SEC were to charge the Company with violations, we could potentially be subject to fines, penalties or other adverse consequences, and our business and financial condition could be adversely impacted.

Due to the delayed filing with the SEC of our Form 10-K for the year ended December 31, 2015, we are not currently eligible to use a registration statement on Form S-3 to register the offer and sale of securities, which may adversely affect our ability to raise future capital or complete acquisitions.

As a result of the delayed filing with the SEC of our annual report on Form 10-K for the year ended December 31, 2015, we will not be eligible to register the offer and sale of our securities using a registration statement on Form S-3 until we have timely filed all periodic reports required under the Securities Exchange Act of 1934 for one year, and there can be no assurance that we will be able to file all such reports in a timely manner in the future. Should we wish to register the offer and sale of additional securities to the public, our transaction costs and the amount of time required to complete the transaction could increase, making it more difficult to execute any such transaction successfully and potentially harming our business, strategic plan and financial condition. Furthermore, if we were to experience delays in making our future periodic filings with the SEC, it could subject us to delisting of our common stock from trading on the NASDAQ exchange. The delisting of our common stock could adversely affect the market price of and hinder our stockholders' ability to trade in our common stock, and could also affect our ability to access the capital markets or complete acquisitions. If our shares of common stock were delisted, there could be no assurance of it again being listed for trading on NASDAQ or any other exchange.

We have previously identified material weaknesses in our internal control over financial reporting, and if we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports, and the market price of our common stock may be adversely affected.

As described in this Form 10-K, our report on Internal Control Over Financial Reporting as of December 31, 2016 indicates that our internal controls over financial reporting were not effective for the period ended December 31, 2016. As previously disclosed, we and our auditors have identified material weaknesses in our internal control over financial reporting for prior periods. Following the identification of the material weaknesses for prior periods, management implemented a remediation plan as more fully described

below. As of December 31, 2016, we believe that we have implemented controls sufficient to remediate the weaknesses found with respect to such prior periods. The Company intends to implement additional review procedures and adopt additional control procedures to remediate the material weaknesses identified as of December 31, 2016. There can be no assurance that the internal controls we implement will be effective or that in the future we will not suffer from additional ineffective disclosure controls and procedures or internal controls over financial reporting, which would further impair our ability to provide reliable and timely financial reports. We have implemented, and are implementing, additional finance and accounting systems, procedures and controls to satisfy our reporting requirements, but we must implement further measures. Moreover, because of the inherent limitations of any control system, material misstatements due to error or fraud may not be prevented or detected on a timely basis, or at all. If we are unable to provide reliable and timely financial reports in the future, our business may be further harmed. Restated financial statements and failures in internal controls may also cause investors to lose confidence in our financial reporting process and the accuracy and completeness of our financial reports, which could have a negative effect on the price of our common stock, subject us to regulatory investigations and penalties, and adversely impact our business and financial condition.

While we audit our licensees from time to time in the ordinary course, we otherwise rely on the accuracy of our licensees' retail sales reports for reporting and collecting our revenues, and if these reports are untimely or incorrect, our revenue could be delayed or inaccurately reported.

Most of our revenue is generated from retailers that license our brands for manufacture and sale of products bearing our brands in their stores. Under our existing agreements, these licensees pay us licensing fees based in part on the retail value of products sold. We rely on our licensees to accurately report the retail sales in collecting our license fees, preparing our financial reports, projections, budgets, and directing our sales and marketing efforts. All of our license agreements permit us to audit our licensees. If any of our licensee reports understate the retail sales of products they sell, we may not collect and recognize revenue to which we are entitled, or may endure significant expense to obtain compliance.

A decline in general economic conditions resulting in a decrease in consumer-spending levels and an inability to access capital may adversely affect our business.

Our performance is subject to worldwide economic conditions and its corresponding impact on the levels of consumer spending which may affect our licensees' sales. It is difficult to predict future levels of consumer spending and any such predictions are inherently uncertain. The worldwide apparel industry is heavily influenced by general economic cycles. Purchases of goods offered under our brands tend to decline in periods of recession or uncertainty regarding future economic prospects, as disposable income typically declines. As a result, our operating results may be materially affected by trends in the United States or global economy.

A significant disruption in our computer systems, including from a malicious attack, and our inability to adequately maintain and update those systems, could adversely affect our operations.

We rely extensively on our computer systems to manage our operations and to communicate with our licensees, International Joint Venture partners and other third parties, and to collect, summarize and analyze results. We depend on continued and unimpeded access to the internet to use our computer systems. Our systems are subject to damage or interruption from power outages, telecommunications failures, computer hackings, cyber-attacks, computer viruses or other malicious activities, security breaches and catastrophic events. If our systems are damaged, threatened, attacked or fail to function properly, we may incur substantial repair or replacement costs, experience data loss and impediments to our ability to manage our internal control system, a loss in confidence by our partners, negative publicity and lost revenue, all of which could adversely affect our results of operations.

Provisions in our charter and Delaware law could make it more difficult for a third party to acquire us, discourage a takeover and adversely affect our stockholders.

Certain provisions of our certificate of incorporation could have the effect of making more difficult, delaying or deterring unsolicited attempts by others to obtain control of our company, even when these attempts may be in the best interests of our stockholders. Our certificate of incorporation currently authorizes 150,000,000 shares of common stock to be issued. Based on our outstanding capitalization at December 31, 2016, and assuming the exercise of all outstanding options and warrants and the issuance of the maximum number of shares of common stock issuable upon conversion of all of our outstanding convertible notes, there are still a substantial number of shares of common stock available for issuance by our board of directors without stockholder approval, including shares held in treasury primarily as a result of our stock repurchase plans. Our certificate of incorporation also authorizes our board of directors, without stockholder approval, to issue up to 5,000,000 shares of preferred stock, in one or more series, which could have voting and conversion rights that adversely affect or dilute the voting power of the holders of our common stock, none of which is outstanding.

We are also subject to the provisions of Section 203 of the Delaware General Corporation Law, which could prevent us from engaging in a business combination with a 15% or greater stockholder for a period of three years from the date it acquired that status unless appropriate board or stockholder approvals are obtained.

Use of social media may adversely impact our reputation and business.

We rely on social media, as one of our marketing strategies, to have a positive impact on both the value and reputation of our brands. Our brands could be adversely affected if we fail to achieve these objectives or if our public image or reputation, or that of any of our licensees or business partners, were to be tarnished by negative publicity. Use of social media platforms and weblogs by third parties provides access to a broad audience of consumers and other interested parties. The opportunity for dissemination of information on these platforms, including negative or inaccurate information about Iconix or its brands, is virtually limitless and the effect is immediate. Any of these events could harm our reputation, business and financial results. The harm may be immediate without affording us an opportunity for redress or correction. It could also result in decreases in sales by our licensees, which in turn could negatively impact our revenues and cash flows.

Recent and ongoing developments relating to the United Kingdom's referendum vote in favor of leaving the European Union could adversely affect us or our licenses.

The United Kingdom held a referendum on June 23, 2016 in which voters approved the UK's withdrawal from the European Union, commonly known as "Brexit." As a result, negotiations are expected to commence in the near future, and perhaps as soon as March 2017, to determine the terms of the United Kingdom exit from the European Union as well as its relationship with the European Union going forward. The economic effects of Brexit have been and are expected to continue to be far-reaching, particularly once the negotiation process begins. Although less than 10% of our licensing revenue is generated in the United Kingdom, Brexit and the perceptions as to its impact may adversely affect business activity and economic conditions in Europe and globally and could continue to contribute to instability in global financial and foreign exchange markets. We currently hold equity interests in Iconix Europe, our London-based joint venture, as well as Iconix MENA LTD and Diamond Icon, LLC, our joint ventures which were established under the laws of the United Kingdom. In addition, we have license agreements in place with licensees across many of our brands in the United Kingdom, maintain a wholly-owned subsidiary established under the laws of the United Kingdom; and have employees, offices and showroom space in the United Kingdom related to our Umbro and Lee Cooper brands. The impact of Brexit on the foregoing aspects of our business are unknown at this time. Brexit could have the effect of disrupting the free movement of goods, services and people between the United Kingdom and the European Union and negatively impact our business and that of our licensees. The full effects of Brexit are uncertain and will depend on any agreements the United Kingdom may make to retain access to European Union markets. Brexit also could lead to uncertainty with respect to the United Kingdom legal and regulatory framework and the enforcement of our legal and intellectual property rights. In addition, as a result of Brexit, other European countries may seek to conduct referenda with respect to their continuing membership with the European Union, creating greater uncertainly in the region. Given these possibilities and others we may not anticipate, as well as the lack of comparable precedent, the full extent to which our business, licensees, results of operations and financial condition could be adversely affected by Brexit is uncertain.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

On November 9, 2007, we entered into a lease agreement covering approximately 30,550 square feet of office and showroom space at 1450 Broadway in New York, New York. The term of the lease runs through June 30, 2024 and provides for total aggregate annual base rental payments for such space of approximately $26.4 million (ranging from approximately $1.1 million for the first year following the rent commencement date to approximately $2.2 million, on an annualized basis, in the last year of the lease). We will also be required to pay our proportionate share of any increased taxes attributed to the premises. Such property is utilized by each of the Company's reporting segments other than the international segment.

We assumed obligations for approximately 4,500 square feet of office space at 261 Fifth Ave in New York, New York in connection with the Waverly acquisition, with an annual rent of approximately $0.3 million for a period ending in February 2018. This space is currently being sublet to a third party.

We lease office and showroom space in the United Kingdom, in the city of Manchester, for approximately £0.1 million per annum, pursuant to a lease that expires in January 2021. Such property is utilized by the Company's international segment.

Item 3. Legal Proceedings

In July 2013, Signature Apparel Group LLC, referred to as the Debtor, filed an amended complaint in an adversary proceeding captioned *Signature Apparel Group LLC v. ROC Fashions, LLC, et al., United States Bankruptcy Court, Southern District of New York, Adv. Pro. No. 11-02800* in the United States Bankruptcy Court in the Southern District of New York that, among others, named Studio IP Holdings LLC, referred to as Studio IP, and the Company (Studio IP and the Company are collectively referred to as Iconix), as defendants. In the amended complaint, the Debtor asserts that Iconix was complicit in an alleged conspiracy to pay $2.8 million to Debtor's principals. The Debtor also alleges that ROC Fashions LLC paid a $6 million fee to Iconix for a license, and asserts that those funds should be returned to the Debtor as well. In total, the Debtor is seeking at least $8.8 million in damages from Iconix. Iconix vigorously defended against the claims, and the trial on this matter concluded in March 2016. The Company is currently awaiting the Bankruptcy Court's determination on the matter and is unable to estimate its ultimate outcome.

In December 2015, Anthony L&S, LLC, referred to as ALS, the licensee of the Pony and related trademarks, commenced an action captioned *Anthony L&S, LLC v. US Pony Holdings, LLC and Iconix Brand Group, Inc., Index No. 654199/2015* in New York State Supreme Court, New York County against the Company and its subsidiary, US Pony Holdings, LLC. In September 2016, this matter was settled without any liability to the Company.

In January 2016, ALS's affiliate, Anthony L&S Athletics, LLC, referred to as Anthony Athletics, commenced an action captioned *Anthony L&S Athletics, LLC v. US Pony Holdings, LLC and Iconix Brand Group, Inc., Case No. 11867* in the Chancery Court in the State of Delaware against the Company and Pony. In September 2016, this matter was settled without any liability to the Company.

In April 2016, New Rise Brands Holdings, LLC, referred to as New Rise, a former licensee of the Ecko Unlimited trademark, and Sichuan New Rise Import & Export Co. Ltd., referred to as Sichuan, the guarantor under New Rise's license agreement, commenced an action captioned *New Rise Brands Holdings, LLC and Sichuan New Rise Import & Export Co. Ltd v. IP Holdings, LLC, et al., Index No. 652278/2016* in the New York State Supreme Court, New York County against the Company's subsidiary, IP Holdings, LLC, referred to as IP Holdings, seeking damages of $15 million, plus punitive damages of $50 million, attorneys' fees and costs. Among other claims, New Rise alleges improper termination of New Rise's license agreement and fraud. IP Holdings is vigorously defending against the claims and has asserted counterclaims against New Rise and Sichuan. At this time, the Company is unable to estimate the ultimate outcome of this legal matter.

Two shareholder derivative complaints captioned *James v. Cuneo et al, Docket No. 1:16-cv-02212* and *Ruthazer v. Cuneo et al, Docket No. 1:16-cv-04208* have been consolidated in the United States District Court for the Southern District of New York, and two shareholder derivative complaints captioned *De Filippis v. Cuneo et al. Index No. 650711/2016* and *Gold v. Cole et al, Index No. 53724/2016* have been consolidated in the Supreme Court of the State of New York, New York County. The complaints name the Company as a nominal defendant and assert claims for breach of fiduciary duty, insider trading and unjust enrichment against certain of the Company's current and former directors and officers arising out of the Company's recent restatement of financial reports and certain employee departures. An additional shareholder derivative complaint captioned *Rosenfeld v. Cuneo et al., Index No. 510427/2016* is pending in the Supreme Court of the State of New York, Kings County. The Company has moved to consolidate this action with the two shareholder derivative actions in the Supreme Court of the State of New York, New York County described above, and is awaiting the Court's decision on this matter. The complaint names the Company as a nominal defendant and asserts similar claims against certain of the Company's current and former directors and officers as noted in connection with the shareholder derivative complaints described above. At this time, the Company is unable to estimate the ultimate outcome of these legal matters.

As previously announced, the Company has received a formal order of investigation from the SEC. The Company intends to continue to cooperate fully with the SEC.

Three securities class actions have been consolidated in the United States District Court for the Southern District of New York, under the caption *In re Iconix Brand Group, Inc., et al., Docket No. 1:15-cv-4860*, against the Company and certain former officers and one current officer (the "Class Action"). The plaintiffs in the Class Action purport to represent a class of purchasers of the Company's securities from February 22, 2012 to November 5, 2015, inclusive, and claim that the Company and individual defendants violated sections 10(b) and 20(a) of the Securities Exchange Act of 1934, by making allegedly false and misleading statements regarding certain aspects of the Company's business operations and prospects. The Company and the individual defendants have moved to dismiss the consolidated amended complaint and intend to vigorously defend against the claims. At this time, the Company is unable to estimate the ultimate outcome of these legal matters.

From time to time, the Company is also made a party to litigation incurred in the normal course of business. In addition, in connection with litigation commenced against licensees for non-payment of royalties, certain licensees have asserted unsubstantiated counterclaims against the Company. While any litigation has an element of uncertainty, the Company believes that the final outcome of any of these routine matters will not have a material effect on the Company's financial position or future liquidity.

See Note 9 of Notes to Consolidated Financial Statements.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company's common stock, $0.001 par value per share, its only class of common equity, is quoted on the NASDAQ Global Market tier of The NASDAQ Stock Market LLC, herein referred to as NASDAQ, under the symbol "ICON". The following table sets forth the high and low sales prices per share of the Company's common stock for the periods indicated, as reported on NASDAQ:

	High	Low
Year Ended December 31, 2016		
Fourth Quarter	$ 10.08	$ 6.76
Third Quarter	9.12	6.26
Second Quarter	9.27	6.30
First Quarter	10.30	4.67
Year Ended December 31, 2015		
Fourth Quarter	$ 16.88	$ 5.34
Third Quarter	26.00	11.32
Second Quarter	34.97	24.12
First Quarter	37.29	32.70

As of March 6, 2017, there were 1,219 holders of record of the Company's common stock.

The Company has never declared or paid any cash dividends on its common stock and the Company does not anticipate paying any such cash dividends in the foreseeable future. Payment of cash dividends, if any, will be at the discretion of the Company's Board of Directors and will depend upon the Company's financial condition, operating results, capital requirements, contractual restrictions, restrictions imposed by applicable law and other factors its Board of Directors deems relevant. The Company's ability to pay dividends on its common stock and repurchase of its common stock is restricted by certain of its current indebtedness and may be restricted or prohibited under future indebtedness.

ISSUER PURCHASES OF EQUITY SECURITIES

2016	Total Number of Shares Purchased (*)	Weighted Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan (1)	Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Plan
October 1—October 31	—	$ —	—	$ 500,000,000
November 1—November 30	—	—	—	500,000,000
December 1—December 31	10,774	9.30	—	500,000,000
Total	10,774	$ 9.30	—	$ 500,000,000

(1) On February 18, 2014, the Board of Directors authorized the repurchase of up to $500 million of the Company's common stock over a period ended February 18, 2017, herein referred to as the 2014 Program. The 2014 Program is in addition to prior programs. The 2014 Program does not obligate the Company to repurchase any specific number of shares and may be suspended at any time at management's discretion.

* Amounts not purchased under the repurchase plan represent shares surrendered to the Company to pay withholding taxes due upon the vesting of restricted stock. These amounts exclude shares subject to the clawback of performance-based shares of certain former executives.

During FY 2016, the Company did not repurchase any shares under the Company's share repurchase plans. Shares purchased in FY 2016, FY 2015 and FY 2014 that were not part of the Company's share repurchase plan represent shares surrendered to the Company to pay withholding taxes due upon the vesting of restricted stock of employees. At December 31, 2016 and as of the date of this Annual Report on Form 10-K, $500.0 million of the Company's common stock may yet be purchased under the Company's February 2014 Program. The Company's July 2013 share repurchase plan expired on July 22, 2016.

The information regarding equity compensation plans is incorporated by reference to Item 12 of this Form 10-K, which incorporates by reference the information set forth in the Company's Definitive Proxy Statement in connection with the annual meeting of stockholders to be held in 2017.

Item 6. Selected Financial Data

Selected Historical Financial Data

(amounts in tables, but not footnotes, in thousands, except earnings per share amounts)

The following table presents selected historical financial data of the Company for the periods indicated. The selected historical financial information is derived from the audited consolidated financial statements of the Company referred to under Item 8 of this Annual Report on Form 10-K, and previously published historical financial statements not included in this Annual Report on Form 10-K. The following selected financial data should be read in conjunction with Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations and the Company's Consolidated Financial Statements, including the notes thereto, included elsewhere herein.

	Year Ended December 31, (000's omitted)				
	2016	2015	2014	2013	2012
Consolidated Income Statement Data[1]					
Licensing revenue	$ 368,461	$ 379,197	$ 391,490	$ 390,574	$ 341,686
Selling, general and administrative expenses	206,589	204,946	181,651	163,031	129,532
Depreciation and amortization	3,461	4,720	7,135	10,130	8,312
Equity earnings on joint ventures	(3,578)	(5,330)	(11,325)	(10,211)	10,887
Gains on sale of trademarks	(38,104)	—	(6,399)	(7,354)	13,266
Goodwill impairment	18,331	35,132	—	—	—
Trademark impairment	424,890	402,392	—	—	—
Operating income, net	(243,128)	(262,663)	220,428	234,978	227,995
Other expenses—net[2]	82,873	21,611	53,318	68,091	44,389
Net income (loss)	$ (249,509)	$ (188,930)	$ 118,822	$ 117,292	$ 124,241
Net income (loss) attributable to Iconix Brand Group, Inc.	$ (252,134)	$ (189,303)	$ 103,723	$ 104,989	$ 110,140
Earnings per share:					
Basic	$ (4.82)	$ (3.92)	$ 2.14	$ 1.87	$ 1.58
Diluted	$ (4.82)	$ (3.92)	$ 1.81	$ 1.73	$ 1.53
Weighted average number of common shares outstanding:					
Basic	52,338	48,293	48,431	56,281	69,689
Diluted	52,338	48,293	57,366	60,734	71,957

* The year ended December 31, 2013 will herein be referred to as FY 2013; and the year ended December 31, 2012 will herein be referred to as FY 2012.

	At December 31, (000's omitted)				
	2016	2015 (revised)	2014	2013	2012
Consolidated Balance Sheet Data					
Cash	$ 149,411	$ 169,971	$ 128,039	$ 278,789	$ 238,672
Working capital	190,068	221,506	222,313	355,970	265,741
Trademarks and other intangibles, net	1,208,243	1,696,524	1,996,334	1,900,340	1,733,400
Total assets	2,005,515	2,504,601	2,773,042	2,825,161	2,453,566
Long-term debt, including current portion	1,254,160	1,449,392	1,394,077	1,427,319	911,718
Total stockholders' equity(3)	$ 494,644	$ 716,161	$ 951,437	$ 1,060,467	$ 1,277,365

(1) During FY 2016, FY 2015, FY 2014, FY 2013 and FY 2012, the Company made none, two, six (including investments in joint ventures that are consolidated in our financial statements), five (including investments in joint ventures that are consolidated in our financial statements), and two (including investments in joint ventures that are consolidated in our financial statements) acquisitions, respectively. See Note 3 for information about the Company's acquisitions and investments through its joint ventures.

(2) Includes the following: 1) in FY 2016, a cash gain of approximately $10.2 million related to our sale of our investment in Complex Media, a gain of approximately $7.3 million related to the recoupment and final settlement of unearned incentive compensation from the Company's former CEO in connection with the previously announced financial restatements, a net non-cash gain of approximately $8.4 million related to our repurchase of our 1.50% Convertible Notes and 2.50% Convertible Notes, and a loss of approximately $14.2 million related to our principal prepayments made on our Senior Secured Term Loan; 2) in FY 2015, a non-cash gain of approximately $50.0 million related to our purchase of our joint venture partner's interest in Iconix China offset by a non-cash loss of approximately $3.8 million related to our additional investment in Scion; and 3) in FY 2014, a non-cash gain of approximately $34.7 million related to our purchase of our joint venture partner's interest in Iconix Latin America offset by a non-cash loss of approximately $5.9 million related to our purchase of our joint venture partner's interest in Iconix Europe.

(3) During FY 2016, the Company noted that the redeemable non-controlling interest attributable to a put option held by one of the Company's consolidated joint venture partners had not been properly eliminated during December 2015 at the time the Company purchased certain assets underlying such put option. A balance sheet reclassification adjustment of $21.3 million was recorded in the consolidated balance sheet as of December 31, 2015 to reduce redeemable non-controlling interest and increase non-controlling interest. This adjustment has also been reflected in the "purchase of minority interest in consolidated joint venture" line item within in the consolidated statement of stockholders' equity as of December 31, 2015. Refer to Note 1 to the Notes to the Consolidated Financial Statements for further details.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995. This Annual Report on Form 10-K, including this Item 7, includes "forward-looking statements" based on the Company's current expectations, assumptions, estimates and projections about its business and its industry. These statements include those relating to future events, performance and/or achievements, and include those relating to, among other things, the Company's future revenues, expenses and profitability, the future development and expected growth of the Company's business, its projected capital expenditures, future outcomes of litigation and/or regulatory proceedings, competition, expectations regarding the retail sales environment, continued market acceptance of the Company's current brands and its ability to market and license brands it acquires, the Company's ability to continue identifying, pursuing and making acquisitions, the ability of the Company to obtain financing for acquisitions, the ability of the Company's current licensees to continue executing their business plans with respect to their product lines and the ability to pay contractually obligated royalties, and the Company's ability to continue sourcing licensees that can design, distribute, manufacture and sell their own product lines.

These statements are only predictions and are not guarantees of future performance. They are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control and difficult to predict and could cause its actual results to differ materially from those expressed or forecasted in, or implied by, the forward-looking statements. In evaluating these forward-looking statements, the risks and uncertainties described in "Item 1A. Risk Factors" above and elsewhere in this report and in the Company's other SEC filings should be carefully considered.

Words such as "may," "should," "will," "could," "estimate," "predict," "potential," "continue," "anticipate," "believe," "plan," "expect," "future" and "intend" or the negative of these terms or other comparable expressions are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statement was made.

Overview

We are a brand management company and owner of a diversified portfolio of over 30 global consumer brands across the Company's operating segments: women's, men's, entertainment, home, and international. The Company's business strategy is to maximize the value of its brands primarily through strategic licenses and joint venture partnerships around the world, as well as to grow the portfolio of brands through strategic acquisitions.

As of December 31, 2016, the Company's brand portfolio includes Candie's ®, Bongo ®, Joe Boxer ®, Rampage ®, Mudd ®, London Fog ®, Mossimo ®, Ocean Pacific/OP ®, Danskin/Danskin Now ®, Rocawear ®/Roc Nation ®, Cannon ®, Royal Velvet ®, Fieldcrest ®, Charisma ®, Starter ®, Waverly ®, Ecko Unltd ®/Mark Ecko Cut & Sew ®, Zoo York ®, Umbro ®, Lee Cooper ®, Strawberry Shortcake ®, and Artful Dodger ®; and interests in Material Girl ®, Peanuts ®, Ed Hardy ®, Truth or Dare ®, Modern Amusement ®, Buffalo ®, Nick Graham ® Hydraulic ®, and PONY ®.

The Company looks to monetize the Intellectual Property (herein referred to as "IP") related to its brands throughout the world and in all relevant categories by licensing directly with leading retailers (herein referred to as "direct to retail"), through consortia of wholesale licensees, through joint ventures in specific territories and via other activity such as corporate sponsorships and content as well as the sale of IP for specific categories or territories. Products bearing the Company's brands are sold across a variety of distribution channels from the mass tier (e.g. Wal-Mart) to better department stores (e.g. Macy's) and, in the case of the Peanuts and Strawberry Shortcake brands, through various media outlets, including television, movies, digital and mobile content. The licensees are responsible for designing, manufacturing and distributing the licensed products. The Company supports its brands with advertising and promotional campaigns designed to increase brand awareness. Additionally, the Company provides its licensees with coordinated trend direction to enhance product appeal and help build and maintain brand integrity.

Globally, the Company has over 75 direct-to-retail licenses and more than 1,450 total licenses. Licensees are selected based upon the Company's belief that such licensees will be able to produce and sell quality products in the categories of their specific expertise and that they are capable of exceeding minimum sales targets and royalties that the Company generally requires for each brand. This licensing strategy is designed to permit the Company to operate its licensing business, leverage its core competencies of marketing and brand management with minimal working capital, and without inventory, production or distribution costs or risks, and maintain high margins. The majority of the Company's licensing agreements include minimum guaranteed royalty revenue which provides the Company with greater visibility into future cash flows. As of January 1, 2017, the Company had over $720 million of aggregate guaranteed royalty revenue over the terms of its existing contracts excluding renewals.

The Company identifies its operating segments according to how business activities are managed and evaluated. Prior to October 1, 2016, the Company had disclosed the following reportable operating segments: men's, women's, home, and entertainment.

Following such quarter, the Company has reviewed its business activities, how they are managed and evaluated, and determined that it would reflect five distinct reportable operating segments: men's, women's, home, entertainment, and international. Therefore, the Company has disclosed these reportable operating segments for the periods shown below. Since the Company does not track, manage and analyze its assets by segments, no disclosure of segmented assets is reported.

The five reportable operating segments described below represent the Company's activities for which separate financial information is available and which is utilized on a regular basis by the Company's chief operating decision maker (CODM) to evaluate performance and allocate resources. In identifying the Company's reportable operating segments, the Company considers its management structure and the economic characteristics, customers, sales growth potential and long-term profitability of its operating segments. As such, the Company configured its operations into the following five reportable operating segments:

- Men's segment – consists of the Company's men's brands in the United States.
- Women's segment – consists of the Company's women's brands in the United States.
- Home segment – consists of the Company's home brands in the United States.
- Entertainment segment – consists of the Company's entertainment brands in both domestic and international markets.
- International segment – consists of the Company's men's, women's and home brands in international markets.

Corporate includes compensation, benefits and occupancy costs for corporate employees as well as other corporate-related expenses such as: audit, legal, and information technology used in managing our business.

The Company's Chief Executive Officer has been identified as the CODM. The Company's measure of segment profitability is licensing revenue and operating income. The accounting policies of the Company's reportable operating segments are the same as those described in Note 1 – *Summary of Significant Accounting Policies* in Notes to the Consolidated Financial Statements.

The Company has disclosed these reportable segments for the periods shown below.

(in 000's)	FY 2016	FY 2015	FY 2014
Licensing revenue by segment:			
Men's	$ 48,635	$ 55,208	$ 60,993
Women's	106,527	118,038	120,041
Home	38,370	36,473	39,141
Entertainment	113,318	107,606	103,070
International	61,611	61,872	68,245
	$ 368,461	$ 379,197	$ 391,490
Operating income (loss):			
Men's	$ (132,574)	$ (334,164)	$ 29,810
Women's	62,565	101,074	115,293
Home	(18,106)	(7,321)	32,190
Entertainment	29,152	35,583	31,524
International	(162,986)	(3,503)	43,899
Corporate	(21,179)	(54,332)	(32,288)
	$ (243,128)	$ (262,663)	$ 220,428

Highlights of FY 2016

- Total revenue of $368.5 million, a 2% decline from prior year, excluding revenue from the Badgley Mischka brand and currency impact.
- Divested Sharper Image and Badgley Mischka brands, consistent with new portfolio approach to brand ownership.
- Improved financial stability: secured new term loan to satisfy 2016 convertible notes, pro-actively retired over $100 million principal amount of 2018 convertible notes, and used proceeds from sale of Sharper Image plus additional cash to pay down an incremental $112 million of debt.
- Hired John Haugh as new President and CEO.

- Developed long term strategic plan to drive growth through more active approach to brand management.
- Continued to build out international footprint and opened new offices in China, Hong Kong, Brazil, Chile and Poland.

FY 2016 Compared to FY 2015

Licensing Revenue. Total licensing revenue for FY 2016 was $368.5 million, a 3% decrease, as compared to $379.2 million for FY 2015. Total licensing revenue was negatively impacted primarily by approximately $5.0 million decrease due to the sale of the Badgley Mischka intellectual property and related assets and benefited from a $3.0 million favorable impact from foreign currency exchange rates primarily related to the Yen. Excluding Badgley Mischka and the currency impact, revenue for FY 2016 was down approximately 2% as compared to the FY 2015. The entertainment segment increased 5% from $107.6 million in FY 2015 to $113.3 million in FY 2016 mainly driven by a $6.6 million increase in our Peanuts Brand. The increase was a result of strength from our licensees in Japan and a favorable exchange rate related to the Yen. The women's segment decreased 10% from $118.0 million in FY 2015 to $106.5 million in FY 2016 mainly due to the sale of the Badgley Mischka intellectual property and related assets. Excluding Badgley Mischka, the women's segment decreased 6%, mostly related to decreases in our Bongo and Candie's brands. The men's segment decreased 12% from $55.2 million in FY 2015 to $48.6 million in FY 2016 mainly due to a decrease in royalties earned by our Starter brand. The home segment increased 5% from $36.5 million in FY 2015 to $38.4 million in FY 2016 mainly driven by an increase in our Sharper Image and Waverly brands. The international segment decreased slightly from $61.9 million in FY 2015 to $61.6 million in FY 2016.

Selling, General and Administrative Expenses. Total selling, general and administrative expenses ("SG&A") was $206.6 million for FY 2016 as compared to $204.9 million for the FY 2015, an increase of $1.6 million or 1%. SG&A in the entertainment segment increased 10% from $71.6 million in FY 2015 to $78.4 million in FY 2016 which was mainly due to increased agent and talent expenses as a result of higher revenues in FY 2016 from the Peanuts brand. SG&A from the women's segment decreased 3% from $15.1 million in FY 2015 to $14.7 million in FY 2016 mainly due to a $2.2 million decrease in compensation costs somewhat offset by a $1.6 million increase in accounts receivables reserves and write-offs. SG&A from the men's segment decreased 35% from $26.9 million in FY 2015 to $17.4 million in FY 2016 primarily due to a $9.3 million decrease in accounts receivables reserves and write-offs. SG&A from the home segment increased 11% from $5.8 million in FY 2015 to $6.5 million in FY 2016 mainly due to a $0.6 million increase in compensation costs. SG&A from the international segment increased 2% from $31.2 million in FY 2015 to $31.8 million in FY 2016 mainly due to $1.1 million increase in advertising costs. Corporate SG&A increased 6% from $54.3 million in FY 2015 to $57.8 million mainly driven by an increase of $6.8 million in professional fees slightly offset by a decrease of $1.1 million in compensation costs.

Depreciation and Amortization. Depreciation and amortization was $3.5 million for FY 2016, compared to $4.7 million in FY 2015, a decrease of $1.3 million or 27%. The decrease was mostly a result of lower amortization costs related to the Artful Dodger brand.

Gain on Sale of Trademarks. Gain on Sale of Trademarks was a $38.1 million gain for FY 2016, compared to zero in the FY 2015. The increase was mainly due to (i) a gain of $28.1 million realized on the sale of the Sharper Image brand, (ii) a gain of $12.0 million realized on the sale of the Badgley Mischka brand and (iii) a loss of $2.0 million realized on the sale of the Ed Hardy brand in China.

Equity Earnings on Joint Ventures. Equity Earnings on Joint Ventures was $3.6 million in income in FY 2016, as compared to $5.3 million in income from the FY 2015. The decrease primarily came from a $3.4 million decrease in our equity interests in Iconix China somewhat offset by a $1.4 million increase in the MG Icon joint venture.

Goodwill & Asset Impairment. Goodwill & Asset Impairment loss for FY 2016 was approximately $443.2 million in FY 2016 as compared to $437.5 million in FY 2015. The Asset Impairment was approximately $424.9 million in FY 2016 primarily related to a write-down in the international segment and the men's segment. The Goodwill Impairment was $18.3 million in FY 2016 as compared to $35.1 million in FY 2015. The Goodwill Impairment in FY 2016 and FY 2015 primarily related to a write-down in our men's business segment.

Operating Income (Loss). Total operating loss for FY 2016 was $243.1 million as compared to a loss of $262.7 million in FY 2015. Operating income from the entertainment segment was $29.2 million in FY 2016 compared to $35.6 million in FY 2015. Operating income from the women's segment was $62.6 million in FY 2016 compared to $101.1 million in FY 2015. Operating loss from the men's segment was $132.6 million in FY 2016 compared to a loss of $334.2 million in FY 2015. Operating loss from the home segment was $18.1 million in FY 2016 compared to a loss of $7.3 million in FY 2015. Operating loss from the international segment was $163.0 million in FY 2016 compared to a loss of $3.5 million in the FY 2015. Corporate operating loss was $21.2 million in FY 2016 compared to an operating loss of $54.3 million in FY 2015.

Other Expenses-Net. Other expenses- net were approximately $82.9 million for FY 2016 as compared to $21.6 million for the FY 2015, an increase of $61.3 million, The increase was primarily related to the following: (i) a $14.0 million increase in FY 2016 in net interest expense primarily related to interest on the $300 million Senior Secured Loan offset by the maturity of the 2.50% Convertible Note, (ii) a $5.9 million loss on the extinguishment of debt, (iii) a $10.2 million gain on the sale of the investment in Complex Media, (iv) a $7.3 million gain on the clawback of compensation related to previous employees, (v) an $8.0 million decrease in foreign currency translation gains and (vi) a $50.0 million gain in FY 2015 related to the fair value re-measurement of our original 50% interest in Iconix China for which there is no comparable gain in FY 2016.

Provision for Income Taxes. The effective income tax rate for FY 2016 is approximately 23.5% resulting in a $76.5 million income tax benefit, as compared to an effective income tax rate of 33.5% in FY 2015 which resulted in a $95.3 million income tax benefit. The decrease in our effective tax rate primarily relates to the Goodwill & Impairment charge, which included a substantial amount of expense in FY 2016 in a lower tax jurisdiction as compared to the Goodwill & Impairment charge in FY 2015 which was recorded with an effective tax rate of approximately 35%.

Net Income (loss). Our net loss was approximately $249.5 million in FY 2016, compared to a net loss of approximately $188.9 million in FY 2015, as a result of the factors discussed above.

Highlights of FY 2015

- License revenue of $379.2 million, a 3% decrease from prior year
- Non-cash impairment charge of $438 million, primarily related to men's brands
- Continued to expand international platform; acquired full ownership and control of Iconix China
- Grew the entertainment business with the launch of The Peanuts Movie and acquisition of Strawberry Shortcake brand
- Expanded sports portfolio; acquired athletic brand PONY in North America
- In 2015 renewed six large DTR licenses; Mossimo at Target, Candie's at Kohl's, Bongo and Joe Boxer at Kmart/Sears, and OP and Starter at Wal-Mart

FY 2015 Compared to FY 2014

Licensing Revenue. Licensing revenue for FY 2015 totaled $379.2 million, a 3% decrease as compared to $391.5 million for FY 2014. Licensing revenue included approximately $11.0 million of revenue from acquisitions made in 2015 including the Strawberry Shortcake and PONY brands, and was negatively impacted by approximately $10.1 million due to foreign currency exchange rates. In addition, licensing revenue in the comparable 2014 period included $17.1 million of revenue related to the five-year renewal of the Peanuts specials with ABC. Excluding the effect of acquisitions, foreign currency exchange rates and the ABC renewal, licensing revenue increased approximately 1% in FY 2015. The entertainment segment increased 4% from $103.1 million in FY 2014 to $107.6 million in FY 2015 primarily driven by (i) revenue related to The Peanuts Movie including box office royalty and movie merchandise and (ii) acquisition of the Strawberry Shortcake brand during the year. The increase was slightly offset by the revenue recognized for the renewal of the license for Peanuts television specials with ABC Networks during 2014. The women's segment decreased 2% from $120.0 million in FY 2014 to $118.0 million in FY 2015 primarily due to a $3.7 million decrease in revenue related to the Rampage brand. The men's segment decreased 9% from $61.0 million in FY 2014 to $55.2 million in FY 2015 primarily due to a $5.0 million decline in the Ecko brand. The home segment decreased 7% from $39.1 million in FY 2014 to $36.5 million in FY 2015 primarily due to a $4.5 million decrease in revenue from our Sharper Image brand. The international segment decreased 9% from $68.2 million in FY 2014 to $61.9 million in FY 2015 primarily due to a $3.2 million decline in our business in Europe primarily related to currency shifts in the Euro.

Operating Expenses. SG&A expenses totaled $204.9 million for FY 2015 compared to $181.7 million for FY 2014 an increase of $23.3 million. SG&A in the entertainment segment increased 1% from $70.7 million in FY 2014 to $71.6 million in FY 2015 primarily due to increased advertising primarily related to The Peanuts Movie. SG&A in the women's segment increased 28% from $11.8 million in FY 2014 to $15.1 million in FY 2015 mainly due to a $2.5 million increase in accounts receivable reserves and write-offs of doubtful accounts slightly offset by a decrease in compensation costs. SG&A in the men's segment decreased 4% from $28.1 million in FY 2014 to $26.9 million in FY 2015 mainly due to a $5.5 million decrease in compensation costs somewhat offset by an increase of $4.4 million in accounts receivable reserves and write-offs of doubtful accounts. SG&A in the home segment decreased 12% from $6.6 million in FY 2014 to $5.8 million in FY 2015 mainly due to a decrease in compensation costs. SG&A in the international segment increased 21% from $25.7 million in FY 2014 to $31.2 million in FY 2015 mainly due to a $5.5 million increase in accounts receivable reserves and write-offs of doubtful accounts. SG&A in the corporate segment increased 40% from $38.8 million in FY 2014 to $54.3 million in FY 2015 mainly due to a $9.3 million increase in legal and accounting professional fees mostly

related to (i) correspondence with the Staff of the SEC and (ii) the Special Committee's review, and an increase of 3.6 million in compensation costs driven by severance costs related to the transition of Iconix management.

Depreciation and Amortization. Depreciation and amortization was $4.7 million for FY 2015, compared to $7.1 million in FY 2014, a decrease of $2.4 million or 34%. The decrease was mostly a result of lower amortization costs related to the Ecko brand.

Gains on sale of trademarks. There were no gains on sales of trademarks in FY 2015 as there were no sales of trademarks during the year as compared to $6.4 million for FY 2014. In FY 2014, we realized a $6.4 million gain on the sale of the "sharperimage.com" domain name and certain categories under the Sharper Image trademark.

Equity Income in JV. Equity Income in JV totaled $5.3 million for FY 2015 compared to $11.3 million for FY 2014, a decrease of $6 million. The decrease was primarily related to the MG Icon joint venture.

Goodwill & Trademark Impairment. Goodwill & Trademark Impairment loss for FY 2015 was approximately $437.5 million in FY 2015 as compared to $0 in FY 2014. The Trademark Impairment was approximately $402.4 million in FY 2015 primarily related to a write-down in the men's segment and international segment. The Goodwill Impairment was $35.1 million primarily related to a write-down in our men's business segment primarily due to declines in net sales in certain brands within the segment and an inability to secure additional license agreements with guaranteed minimum royalties in future periods for these brands and to a lesser extent changes to certain inputs and assumptions in the valuation model.

Operating Income (Loss). Operating loss for FY 2015 decreased to $262.7 million, compared to income of $220.4 million in FY 2014. Operating income from the women's segment was $101.1 million in FY 2015 compared to $115.3 million in FY 2014. Operating loss from the men's segment was $334.2 million in FY 2015 compared to operating income of $29.8 million in the FY 2014. Operating loss from the home operating segment was $7.3 million in FY 2015 compared to operating income of $32.2 million in FY 2014. Operating income from the entertainment segment was $35.6 million in FY 2015 compared to $31.5 million in FY 2014. Operating loss from the international segment was $3.5 million in FY 2015 compared to $43.9 million in FY 2014. Corporate operating loss was $54.3 million in FY 2015 compared to $32.3 million in FY 2014.

Other Expenses—Net. Other expense—net was approximately $21.6 million in FY 2015 as compared to $53.3 million in FY 2014. Interest expense increased approximately $1.7 million primarily related to $1.8 million increase related to our Convertible Notes. Interest and other income increased $22.2 million from $32.9 million in FY 2014 to approximately $55.1 million in FY 2015 primarily due to a $50.0 million non-cash gain in FY 2015 related to the fair value re-measurement of our original 50% interest in Iconix China- see Note 3 of Notes to Consolidated Financial Statements for a description of this transaction, as compared to a $28.9 million non-cash gain in FY 2014 related to the fair value re-measurement of our original 50% interest in Iconix Latin America. Foreign currency translation gain increased $11.2 million from a $1.7 million loss in FY 2014 to a $9.5 million gain in FY 2015.

Provision for Income Taxes. The effective income tax rate for FY 2015 is approximately 33.5% resulting in a $95.3 million income tax benefit, as compared to an effective income tax rate of 28.9% in FY 2014 which resulted in the $48.3 million income tax expense. The increase in our effective tax rate primarily relates to the Goodwill & Impairment charge, which was recorded with an effective tax rate of approximately 35%.

Net Income (Loss). Our net loss was approximately $188.9 million in FY 2015, compared to net income of approximately $118.8 million in FY 2014, as a result of the factors discussed above.

Liquidity and Capital Resources

Liquidity

Our principal capital requirements have been to fund acquisitions, working capital needs, share repurchases and, to a lesser extent, capital expenditures. We have historically relied on internally generated funds to finance our operations and our primary source of capital needs for acquisition has been the issuance of debt and equity securities. At December 31, 2016 and December 31, 2015, our cash totaled $149.4 million and $169.9 million, respectively, not including short-term restricted cash of $177.3 million and $49.5 million, respectively. Our short term restricted cash primarily consists of collection and investment accounts related to our Senior Secured Notes and Senior Secured Term Loan. In addition, as of December 31, 2016, approximately $68.5 million, or 21%, of our total cash (including restricted cash) was held in foreign subsidiaries. Our investments in these foreign subsidiaries are considered indefinitely reinvested and unavailable for the payment of any U.S. based expenditures, including debt obligations.

On March 7, 2016, we entered into a credit agreement for a $300.0 million Senior Secured Term Loan (see definition below), which was used primarily to pay all outstanding obligations, plus accrued interest, under the Company's 2.50% Convertible Notes

which were due June 2016. See below under "Obligations and Commitments" for a description of our Senior Secured Term Loan. See Note 6 to Notes to Consolidated Financial Statements for additional disclosure regarding this debt facility.

On February 12, 2015, we delivered a notice to fund to the administrator to our Variable Funding Notes (see definition below). On February 18, 2015, the Company received $100.0 million of cash, which was used primarily for the acquisition of Strawberry Shortcake, as well as for general corporate purposes. See below under "Obligations and Commitments" for a description of our Variable Funding Notes. See Note 6 to Notes to Consolidated Financial Statements for additional disclosure regarding this funding of our Variable Funding Notes.

In March 2013, we issued our 1.50% Convertible Notes, the proceeds of which (including transaction fees) were approximately $390.6 million. In connection with this transaction, we entered into the 1.50% Convertible Note Hedges and sold the 1.50% Convertible Note Warrants, the net cost of which was $26.4 million. Further, in connection with this offering, we entered into a private transaction whereby we repurchased 2.96 million shares of our common stock from a third party for $69.0 million.

In June 2013, we completed a second offering under Senior Secured Notes in the aggregate principal amount of $275.0 million.

We believe that cash from future operations, our currently available cash and capacity for additional financings under our Senior Secured Notes facility (to the extent available) will be sufficient to satisfy our anticipated working capital requirements for the foreseeable future, including early redemption by our 1.50% Convertible Notes' holders in the event circumstances allow for early redemptions. We intend to continue financing future brand acquisitions through a combination of cash from operations, bank financing and the issuance of additional equity and/or debt securities.

We may from time to time seek to retire or purchase our outstanding debt through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved in any such transactions may, individually or in the aggregate, be material.

Changes in Working Capital

At December 31, 2016 and December 31, 2015, the working capital ratio (current assets to current liabilities) was 1.75 to 1 and 2.52 to 1, respectively.

Operating Activities

Net cash provided by operating activities decreased approximately $68.1 million, from $190.2 million in FY 2015 to $122.2 million in FY 2016. The increase in net loss, after the exclusion of non-cash items of $351.3 million, was approximately $52.5 million. The change in the non-cash adjustments is primarily as a result of (i) an increase in the impairment of trademarks and goodwill, (ii) an increase in the amortization of deferred financing costs primarily due to the Company's new debt facility entered in to in FY 2016, (iii) the net loss on extinguishment of debt of which there was no corresponding amount in FY 2015, as well as (iv) the decrease in the non-cash gain related to the fair value re-measurement of our equity investment, for which there was none in FY 2016, (v) a decrease in the provision for doubtful accounts, (vi) a decrease in the gain on foreign currency translation period over period, (vii) a decrease in the amortization of convertible note discount due to our repayment of the 2.50% Convertible Notes in FY 2016, and (viii) gains on sale of trademarks and the Company's equity in Complex Media for which there was none in FY 2015. These non-cash adjustments are offset by cash provided by working capital items of $20.4 million in FY 2016 as compared to cash provided by working capital items of $35.9 million in FY 2015.

Investing Activities

Net cash provided by investing activities increased approximately $323.2 million, from cash used in investing activities of $153.0 million in FY 2015 to cash provided by investing activities of $170.2 million in FY 2016. This increase in FY 2016 is primarily due to (i) our sale of the Sharper Image brand for $98.3 million in cash, (ii) our sale of our interest in Complex Media for $35.3 million in cash, (iii) our sale of the Badgley Mischka brand for $14.0 million in cash, (iv) our sale of our interest in TangLi International Holdings, Ltd. for $11.4 million in cash, (v) our sale of our interest in BBC Ice Cream for $3.5 million in cash, and (vi) sale of minority interest in Umbro trademarks in the Greater China territory for $2.5 million in cash as compared to (i) our purchase of the Strawberry Shortcake brand for $105 million in cash, (ii) our purchase of the remaining 50% interest in Iconix China for $20.4 million in cash, net of cash acquired (total cash paid to Novel was $40.4 million, (iii) our purchase of a 75% interest in the Pony brand for $37.0 million in cash, in FY 2015.

Financing Activities

Net cash used in financing activities increased approximately $319.8 million, from cash provided by financing activities of $9.9 million in FY 2015. The increase in cash used in financing activities period over period is primarily due to (i) the repurchase of a portion of our convertible notes for $178.9 million in cash, (ii) the repayment of long term debt of $253.5 million (mainly due to the payment of the remaining outstanding principal balance on our 2.50% Convertible Notes of approximately $156.1 million), (iii) the change in restricted cash of $127.7 million primarily due to the cash restricted as part of our Senior Secured Term Loan and the cash received from our sale of the Sharper Image brand as compared to our repayment of long-term debt of $61.1 million in FY 2015. The increase of cash used in financing activities is offset by the proceeds of $300.0 million from our Senior Secured Term Loan as well as the corresponding cash used of $35.8 million for the prepaid financing costs associated with the Senior Secured Term Loan as compared to the proceeds of $100.0 million from our Variable Funding Notes received in FY 2015.

Obligations and commitments

Senior Secured Notes.

On November 29, 2012, Icon Brand Holdings, Icon DE Intermediate Holdings LLC, Icon DE Holdings LLC and Icon NY Holdings LLC, each a limited-purpose, bankruptcy remote, wholly-owned direct or indirect subsidiary of the Company, (collectively, the "Co-Issuers") issued $600.0 million aggregate principal amount of Series 2012-1 4.229% Senior Secured Notes, Class A-2 (the "2012 Senior Secured Notes") in an offering exempt from registration under the Securities Act of 1933, as amended.

Simultaneously with the issuance of the 2012 Senior Secured Notes, the Co-Issuers also entered into a revolving financing facility of Series 2012-1 Variable Funding Senior Notes, Class A-1 (the "Variable Funding Notes"), which allows for the funding of up to $100 million of Variable Funding Notes and certain other credit instruments, including letters of credit. The Variable Funding Notes were issued under the Indenture and allow for drawings on a revolving basis. Drawings and certain additional terms related to the Variable Funding Notes are governed by the Class A-1 Note Purchase Agreement dated November 29, 2012 (the "Variable Funding Note Purchase Agreement"), among the Co-Issuers, Iconix, as manager, certain conduit investors, financial institutions and funding agents, and Barclays Bank PLC, as provider of letters of credit, as swingline lender and as administrative agent. The Variable Funding Notes will be governed, in part, by the Variable Funding Note Purchase Agreement and by certain generally applicable terms contained in the Indenture. Interest on the Variable Funding Notes will be payable at per annum rates equal to the CP Rate, Base Rate or Eurodollar Rate, as defined in the Variable Funding Note Purchase Agreement.

In February 2015, the Company received $100 million proceeds from the Variable Funding Notes. There is a commitment fee on the unused portion of the Variable Funding Notes facility of 0.5% per annum. It is anticipated that any outstanding principal of and interest on the Variable Funding Notes will be repaid in full on or prior to January 2018. Following the anticipated repayment date, additional interest will accrue on the Variable Funding Notes equal to 5% per annum. The Variable Funding Notes and other credit instruments issued under the Variable Funding Note Purchase Agreement are secured by the collateral described below.

On June 21, 2013, the Co-Issuers issued $275.0 million aggregate principal amount of Series 2013-1 4.352% Senior Secured Notes, Class A-2 (the "2013 Senior Secured Notes" and, together with the 2012 Senior Secured Notes, the "Senior Secured Notes") in an offering exempt from registration under the Securities Act of 1933, as amended.

The Senior Secured Notes and the Variable Funding Notes are referred to collectively as the "Notes." The Notes were issued in securitization transactions pursuant to which substantially all of Iconix's United States and Canadian revenue-generating assets (the "Securitized Assets"), consisting principally of its IP and license agreements for the use of its IP, were transferred to and are currently held by the Co-Issuers. The Securitized Assets do not include revenue generating assets of (x) the Iconix subsidiaries that own the Badgley Mischka trademark, the Ecko Unltd trademark, the Mark Ecko trademark, the Umbro trademark and the Lee Cooper trademark, (y) the Iconix subsidiaries that own Iconix's other brands outside of the United States and Canada or (z) the joint ventures in which Iconix and certain of its subsidiaries have investments and which own the Artful Dodger trademark, the Modern Amusement trademark and the Buffalo trademark.

The Notes were issued under a base indenture and related supplemental indentures (collectively, the "Indenture") among the Co-Issuers and Citibank, N.A., as trustee (in such capacity, the "Trustee") and securities intermediary. The Indenture allows the Co-Issuers to issue additional series of notes in the future subject to certain conditions.

While the Notes are outstanding, payments of interest are required to be made on the Senior Secured Notes on a quarterly basis. To the extent funds are available, principal payments in the amount of $10.5 million and $4.8 million are required to be made on the 2012 Senior Secured Notes and 2013 Senior Secured Notes, respectively, on a quarterly basis.

In June 2014, the Company sold the "sharperimage.com" domain name and the exclusive right to use the Sharper Image trademark in connection with the operation of a branded website and catalog distribution in specified jurisdictions, in which the Senior Secured Notes had a security interest pursuant to the Indenture. As a result of this permitted disposition, the Company paid an additional $1.6 million in principal in July 2014. Additionally, in December 2016, the Company sold the rights to the Sharper Image brand and related intellectual property assets, in which the Senior Secured Notes had a security interest pursuant to the Indenture. As a result of this permitted disposition, the Company paid an additional $36.7 million in principal in January 2017.

The legal final maturity date of the Senior Secured Notes is in January of 2043, but it is anticipated that, unless earlier prepaid to the extent permitted under the Indenture, the Senior Secured Notes will be repaid in January of 2020. If the Co-Issuers have not repaid or refinanced the Senior Secured Notes prior to the anticipated repayment date, additional interest will accrue on the Senior Secured Notes equal to the greater of (A) 5% per annum and (B) a per annum interest rate equal to the excess, if any, by which the sum of (i) the yield to maturity (adjusted to a quarterly bond-equivalent basis), on the anticipated repayment date of the United States treasury security having a term closest to 10 years plus (ii) 5% plus (iii) with respect to the 2012 Senior Secured Notes, 3.4%, or with respect to the 2013 Senior Secured Notes, 3.14%, exceeds the original interest rate. The Senior Secured Notes rank pari passu with the Variable Funding Notes.

Pursuant to the Indenture, the Notes are the joint and several obligations of the Co-Issuers only. The Notes are secured under the Indenture by a security interest in substantially all of the assets of the Co-Issuers (the "Collateral"), which includes, among other things, (i) IP assets, including the U.S. and Canadian registered and applied for trademarks for the following brands and other related IP assets: Candie's, Bongo, Joe Boxer (excluding Canadian trademarks, none of which are owned by Iconix), Rampage, Mudd, London Fog (other than the trademark for outerwear products sold in the United States), Mossimo, Ocean Pacific and OP, Danskin and Danskin Now, Rocawear, Starter, Waverly, Fieldcrest, Royal Velvet, Cannon, and Charisma; (ii) the rights (including the rights to receive payments) and obligations under all license agreements for use of those trademarks; (iii) the following equity interests in the following joint ventures: an 85% interest in Hardy Way LLC which owns the Ed Hardy brand, a 50% interest in MG Icon LLC which owns the Material Girl and Truth or Dare brands, a 100% interest in ZY Holdings LLC which owns the Zoo York brand, and an 80% interest in Peanuts Holdings LLC which owns the Peanuts brand and characters; and (iv) certain cash accounts established under the Indenture.

If the Company contributes a newly organized, limited purpose, bankruptcy remote entity (each an "Additional IP Holder" and, together with the Co-Issuers, the "Securitization Entities") to Icon Brand Holdings LLC or Icon DE Intermediate Holdings LLC, that Additional IP Holder will enter into a guarantee and collateral agreement in a form provided for in the Base Indenture pursuant to which such Additional IP Holder will guarantee the obligations of the Co-Issuers in respect of any Notes issued under the Base Indenture and the other related documents and pledge substantially all of its assets to secure those guarantee obligations pursuant to a guarantee and collateral agreement.

Neither the Company nor any subsidiary of the Company, other than the Securitization Entities, will guarantee or in any way be liable for the obligations of the Co-Issuers under the Indenture or the Notes.

The Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) that the Co-Issuers maintain specified reserve accounts to be used to make required payments in respect of the Notes, (ii) provisions relating to optional and mandatory prepayments, including mandatory prepayments in the event of a change of control (as defined in the supplemental indentures) and the related payment of specified amounts, including specified make-whole payments in the case of the Senior Secured Notes under certain circumstances, (iii) certain indemnification payments in the event, among other things, the transfers of the assets pledged as collateral for the Notes are in stated ways defective or ineffective and (iv) covenants relating to recordkeeping, access to information and similar matters. The Company was in compliance with all covenants under the Notes during FY 2016 and FY 2015.

The Notes are also subject to customary rapid amortization events provided for in the Indenture, including events tied to (i) the failure to maintain a stated debt service coverage ratio, which tests the amount of net cash flow generated by the assets of the Co-Issuers against the amount of debt service obligations of the Co-Issuers (including any commitment fees and letter of credit fees with respect to the Variable Funding Notes, due and payable accrued interest, and due and payable scheduled principal payments on the Senior Secured Notes), (ii) certain manager termination events, (iii) the occurrence of an event of default and (iv) the failure to repay or refinance the Notes on the anticipated repayment date. If a rapid amortization event were to occur, Icon DE Intermediate Holdings LLC and Icon Brand Holdings LLC would be restricted from declaring or paying distributions on any of its limited liability company interests.

The Company used approximately $150.4 million of the proceeds received from the issuance of the 2012 Senior Secured Notes to repay amounts outstanding under its revolving credit facility (see below) and approximately $20.9 million to pay the costs associated with the 2012 Senior Secured Notes financing transaction. In addition, approximately $218.3 million of the proceeds from

the 2012 Senior Secured Notes were used for the Company's purchase of the Umbro brand. The Company used approximately $7.2 million of the proceeds received from the issuance of the 2013 Senior Secured Notes to pay the costs associated with the 2013 Senior Secured Notes securitized financing transaction.

As of December 31, 2016, the total principal balance of the Notes is $751.8 million, of which $95.2 million is included in the current portion of long-term debt on the consolidated balance sheet. As a result of the sale of the Sharper Image intellectual property and related assets, the Company made a mandatory principal prepayment on the Senior Secured Notes of $36.7 million in January 2017. This principal prepayment has been included in the current portion of long-term debt on the Company's consolidated balance sheet as of December 31, 2016. Refer to Note 20 in Notes to Consolidated Financial Statements for further details. As of December 31, 2016 and December 31, 2015, $112.4 million and $48.7 million, respectively is included in restricted cash on the consolidated balance sheet and represents short-term restricted cash consisting of collections on behalf of the Securitized Assets, restricted to the payment of principal, interest and other fees on a quarterly basis under the Senior Secured Notes.

1.50% Convertible Notes.

On March 18, 2013, the Company completed the issuance of $400.0 million principal amount of the Company's 1.50% convertible senior subordinated notes due March 15, 2018 ("1.50% Convertible Notes") in a private offering to certain institutional investors. The net proceeds received by the Company from the offering, excluding the net cost of hedges and sale of warrants (described below) and including transaction fees, were approximately $390.6 million. At December 31, 2016, the net balance of the 1.50% Convertible Notes was $277.5 million, which reflects the net debt carrying value in accordance with accounting for convertible debt instruments that may be settled in cash upon conversion. However, the principal amount owed to the 1.50% Convertible Note holders is $295.1 million after taking into effect the $104.9 million of repurchases of the 1.50% Convertible Notes as discussed in Note 6 in the Notes to Consolidated Financial Statements.

Concurrently with the sale of the 1.50% Convertible Notes, we purchased note hedges for approximately $84.1 million and issued warrants to the hedge counterparties for proceeds of approximately $57.7 million. These transactions will generally have the effect of increasing the conversion price of the 1.50% Convertible Notes (by 100% based on the price of our common stock at the time of the offering). As a result of these transactions, we recorded an increase to additional paid-in-capital of $3.0 million. These note hedges and warrants are separate and legally distinct instruments that bind only us and the counterparties thereto and have no binding effect on the holders of the 1.50% Convertible Notes.

We utilized a portion of the proceeds of the 1.50% Convertible Notes as follows: approximately $69.0 million was used to repurchase 2,964,000 shares of the Company in a private transaction with a third party, and approximately $26.4 million was the net payment for the related convertible note hedge. There are no covenants for this debt obligation.

2.50% Convertible Notes.

In May 2011, the Company completed the issuance of $300.0 million principal amount of our 2.50% convertible senior subordinated notes due June 2016, herein referred to as our 2.50% Convertible Notes, in a private offering to certain institutional investors from which we received net proceeds, after transaction fees, of approximately $291.6 million. In April 2016, the Company repurchased $143.9 million par value of the 2.50% Convertible Notes for $145.6 million in cash (including interest and trading fees). The remaining outstanding balance of the 2.50% Convertible Notes, in an amount equal to $156.1 million, was repaid on June 1, 2016 (the maturity date). Refer to Note 6 in the Notes to the Consolidated Financial Statements for further details.

Concurrently with the sale of the 2.50% Convertible Notes, we purchased note hedges for approximately $58.7 million and issued warrants to the hedge counterparties for proceeds of approximately $28.8 million. These transactions generally had the effect of increasing the conversion price of the 2.50% Convertible Notes (by 100% based on the price of our common stock at the time of the offering). As a result of these transactions, we recorded a reduction to additional paid-in-capital of $9.4 million. These note hedges and warrants were separate and legally distinct instruments that bound only us and the counterparties thereto and had no binding effect on the holders of the 2.50% Convertible Notes.

We utilized a portion of the proceeds of the 2.50% Convertible Notes as follows: approximately $112.6 million was used to extinguish the outstanding obligation under a term loan facility, and approximately $29.9 million was the net payment for the related convertible note hedge.

Senior Secured Term Loan

On March 7, 2016, the Company through its wholly-owned subsidiary, IBG Borrower ("IBG Borrower") entered into a $300 million senior secured term loan (the "Credit Agreement"), whereby the Company and certain wholly-owned subsidiaries of IBG

Borrower will serve as guarantors, Cortland Capital Market Services LLC will serve as administrative agent and collateral agent and the lenders party thereto from time to time, including CF ICX LLC and Fortress Credit Co LLC. Among other customary conditions, the closing is conditioned on the transfer of specified assets of the Company to be held by IBG Borrower and the execution of customary account control agreements. Refer to Note 6 in the Notes to Consolidated Financial Statements for further details.

The net cash proceeds of the Senior Secured Term Loan, which were approximately $264.2 million (after deducting financing, investment banking and legal fees), were, pursuant to the terms of the Credit Agreement, deposited by the lenders into an escrow account on April 4, 2016. IBG Borrower deposited into the escrow account certain additional funds, so that the total amount of cash on deposit in the escrow account was sufficient to pay all outstanding obligations, plus accrued interest, under the Company's 2.50% Convertible Notes due June 2016. In accordance with the terms of the Senior Secured Term Loan, the funds in the escrow account were used to pay the 2.50% Convertible Notes on or before their maturity, with any remaining funds going forward general corporate purposes permitted under the terms of the Credit Agreement.

In connection with the Credit Agreement, IBG Borrower, the Company and the other Guarantors have made customary representation and warranties. In addition to adhering with certain customary affirmative covenants, IBG Borrower established a lock-box account, and IBG Borrower, the Company and the other Guarantors entered into account control agreements on certain deposit accounts. The Credit Agreement also mandates that IBG Borrower, the Company and the other Guarantors maintain and allow appraisals of their intellectual property, perform under the terms of certain licenses and other agreements scheduled in the Credit Agreement and report significant changes to or terminations of licenses generating guaranteed minimum royalties of more than $5 million. IBG Borrower must satisfy a minimum asset coverage ratio of 1.25:1.00 and maintain a leverage ratio of no greater than 4.50:1.00. The Company has been compliant with all covenants under the Senior Secured Term Loan from inception through December 31, 2016.

In December 2016, in conjunction with the sale of the Sharper Image brand and in accordance with the Credit Agreement, the Company made a mandatory principal prepayment of $28.8 million. Additionally, in January 2017, the Company made an additional mandatory prepayment of $23.5 million and a voluntary prepayment of $23.0 million both of which have been classified as current portion of long-term debt in the Company's consolidated balance sheet as of December 31, 2016. Refer to Note 6 in the Notes to the Consolidated Financial Statements for further details.

The following is a summary of contractual cash obligations, including interest for the periods indicated that existed as of December 31, 2016:

	2017	2018	2019	2020	2021	Thereafter	Total
	(000's omitted)						
Senior Secured Notes	$ 95,203	$ 57,685	$ 57,685	$ 57,685	$ 57,685	$ 325,841	$ 651,784
1.50% Convertible Notes	—	295,050	—	—	—	—	295,050
Variable Funding Notes	—	100,000	—	—	—	—	100,000
Senior Secured Term Loan	65,232	15,000	15,000	15,000	153,488	—	263,720
Operating leases	2,426	2,202	2,099	2,158	2,033	5,251	16,169
Employment contracts	1,000	1,000	152	—	—	—	2,152
Interest	58,328	50,005	40,565	36,417	19,338	38,332	242,985
Total contractual cash obligations	$ 222,189	$ 520,942	$ 115,501	$ 111,260	$ 232,544	$ 369,424	$ 1,571,860

Other Factors

We continue to seek to expand and diversify the types of licensed products being produced under our various brands, as well as diversify the distribution channels within which licensed products are sold, in an effort to reduce dependence on any particular retailer, consumer or market sector. The success of our Company, however, remains largely dependent on our ability to build and maintain brand awareness and contract with and retain key licensees and on our licensees' ability to accurately predict upcoming trends within their respective customer bases and fulfill the product requirements of their particular distribution channels within the global marketplace. Unanticipated changes in consumer fashion preferences, slowdowns in the global economy, changes in the prices of supplies, consolidation of retail establishments, and other factors noted in "Risk Factors," could adversely affect our licensees' ability to meet and/or exceed their contractual commitments to us and thereby adversely affect our future operating results.

We market and license our brands outside the United States and many of our licensees are located, and joint ventures operate, outside the United States. As a key component of our business strategy, we intend to expand our international sales, including, without limitation, through joint ventures. Tariffs, trade protection measures, import or export licensing requirements, trade embargoes, sanctions and other trade barriers; less effective and less predictable protection and enforcement of intellectual property; changes in

the political or economic condition of a specific country or region; fluctuations in the value of foreign currency versus the U.S. dollar and the cost of currency exchange; and potentially adverse tax consequences, and other factors noted in "Risk Factors," could adversely affect our licensees' and International Joint Ventures future operating results.

Effects of Inflation

We do not believe that the relatively moderate rates of inflation experienced over the past few years in the United States, where we primarily compete, have had a significant effect on revenues or profitability. If there was an adverse change in the rate of inflation by less than 10%, the expected effect on net income would be immaterial.

New Accounting Standards

Refer to Note 1 in the Notes to the Consolidated Financial Statements for new accounting standards.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires management to exercise its judgment. We exercise considerable judgment with respect to establishing sound accounting policies and in making estimates and assumptions that affect the reported amounts of our assets and liabilities, our recognition of revenues and expenses, and disclosure of commitments and contingencies at the date of the financial statements. On an on-going basis, we evaluate our estimates and judgments. We base our estimates and judgments on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. While we believe that the factors we evaluate provide us with a meaningful basis for establishing and applying sound accounting policies, we cannot guarantee that the results will always be accurate. Since the determination of these estimates requires the exercise of judgment, actual results could differ from such estimates.

Our significant accounting policies are more fully described in Note 1 to our consolidated financial statements. We believe, however, the following critical accounting policies, among others, affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

We have entered into various trade name license agreements that provide revenues based on minimum royalties and advertising/marketing fees and additional revenues based on a percentage of defined sales. Minimum royalty and advertising/marketing revenue is recognized on a straight-line basis over the term of each contract year, as defined, in each license agreement. Royalties exceeding the defined minimum amounts are recognized as income during the period corresponding to the licensee's sales. Payments received as consideration for the grant of a license or advanced royalty payments are recognized ratably as revenue over the term of the license agreement and are reflected on the Company's consolidated balance sheets as deferred license revenue at the time payment is received and recognized ratably as revenue over the term of the license agreement. Revenue is not recognized unless collectability is reasonably assured. If licensing arrangements are terminated prior to the original licensing period, we will recognize revenue for any contractual termination fees, unless such amounts are deemed non-recoverable.

Gains on sale of trademarks

We sell a brand's territories and/or categories through joint venture transactions which is a central and ongoing part of our business. Since our goal is to maximize the value of the IP, we evaluate sale opportunities by comparing whether the offer is more valuable than the current and potential revenue stream in the Company's traditional licensing model. Further, as part of the Company's evaluation process, it will also look at whether or not the buyer's future development of the brand could help expand the brands global recognition and revenue. The Company considers, among others, the following guidance in determining the appropriate accounting and gains recognized from the initial sale of our brands/trademarks to our joint ventures: ASC 323, *Investments—Equity Method and Joint Venture*, ASC 605, *Revenue Recognition* , ASC 810, *Consolidations* , and ASC 845, *Nonmonetary Transactions - Exchanges Involving Monetary Consideration*.

Additionally, the Company determines the cost of the trademarks sold by determining the relative fair market value of the proceeds received in the transaction to the relative fair value of the trademarks on the Company's consolidated balance sheet at the time of the transaction.

Allowance for doubtful accounts

We evaluate our allowance for doubtful accounts and estimate collectability of accounts receivable based on our analysis of historical bad debt experience in conjunction with our assessment of the financial condition of individual licensees with which we do business. In times of domestic or global economic turmoil, our estimates and judgments with respect to the collectability of our receivables are subject to greater uncertainty than in more stable periods.

Impairment of Long-Lived Assets and Intangibles

Long-lived assets, representing predominantly trademarks related to the Company's brands, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Indefinite lived intangible assets are tested for impairment on an annual basis (October 1 for the Company) and between annual tests if an event occurs or circumstances change that indicate that the carrying amount of the indefinite lived intangible asset may not be recoverable. When conducting its annual indefinite lived intangible asset impairment assessment, the Company initially performs a qualitative evaluation of whether it is more likely than not that the asset is impaired. If it is determined by a qualitative evaluation that it is more likely than not that the asset is impaired, the Company then tests the asset for recoverability. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Assumptions used in our fair value estimates are as follow: (i) discount rates; (ii) royalty rates; (iii) projected average revenue growth rates; (iv) contractually guaranteed minimum revenues; and (v) projected long-term growth rates. The testing also factors in economic conditions and expectations of management and may change in the future based on period-specific facts and circumstances. During FY 2016, the Company recognized a non-cash impairment charge of $424.9 million for indefinite-lived intangibles across all segments. During FY 2015, the Company recognized a non-cash impairment charge of $402.4 million for indefinite-lived intangibles, which, when taking in to consideration the Company's new operating segments identified in the fourth quarter of FY 2016, was in the men's, women's, home and international segments. During FY 2014, there was no write-down from impairments. See Note 2 for further information.

Goodwill

Goodwill is tested for impairment at the reporting unit level (the Company has five operating segments: women's, men's, home, entertainment and international) on an annual basis (in the Company's fourth fiscal quarter) and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. The Company considers its market capitalization and the carrying value of its assets and liabilities, including goodwill, when performing its goodwill impairment test. When conducting its annual goodwill impairment assessment, the Company initially performs a qualitative evaluation of whether it is more likely than not that goodwill is impaired. If it is determined by a qualitative evaluation that it is more likely than not that goodwill is impaired, the Company then applies a two-step impairment test. The two-step impairment test first compares the fair value of the Company's reporting unit to its carrying or book value. If the fair value of the reporting unit exceeds its carrying value, goodwill is not impaired and the Company is not required to perform further testing. If the carrying value of the reporting unit exceeds its fair value, the Company determines the implied fair value of the reporting unit's goodwill and if the carrying value of the reporting unit's goodwill exceeds its implied fair value, then an impairment loss equal to the difference is recorded in the consolidated statement of operations. During the fourth quarter of FY 2016, the Company recognized a non-cash impairment charge of $18.3 million for goodwill in the men's segment. As of December 31, 2015, the Company recognized a non-cash impairment charge of $35.1 million for goodwill which, when taking in to consideration the Company's new operating segments identified during the fourth quarter of FY 2016, was in the men's segment and international segment. During FY 2014, there was no write-down from impairment. See Note 1 – *Summary of Significant Accounting Policies* in Notes to Consolidated Financial Statements for further detail.

Variable Interest Entities

In accordance with the variable interest entities ("VIE") sub-section of ASC 810, *Consolidation*, we perform a formal assessment at each reporting period regarding whether the Company is considered the primary beneficiary of a VIE based on the power to direct activities that most significantly impact the economic performance of the entity and the obligation to absorb losses or rights to receive benefits that could be significant to the VIE.

Business combinations

We allocate the purchase price of acquired companies to the tangible and intangible assets acquired, and liabilities assumed based on their estimated fair values. Such a valuation requires management to make significant estimates and assumptions, especially with respect to intangible assets. The results of operations for each acquisition are included in our financial statements from the date of acquisition.

We account for business acquisitions as purchase business combinations in accordance with ASC 805, Business Combinations ("ASC 805"). The fundamental requirement of ASC 805 is that the acquisition method of accounting be used for all business combinations.

Management estimates fair value based on assumptions believed to be reasonable. These estimates are based on historical experience and information obtained from the management of the acquired companies. Critical estimates in valuing certain intangible assets include, but are not limited to: future expected cash flows; acquired developed technologies and patents; the acquired company's brand awareness and market position, as well as assumptions about the period of time the acquired brand will continue to be used in our product portfolio; and discount rates.

Stock-Based Compensation

We account for stock-based compensation under ASC 718, Compensation—Stock Compensation, which requires companies to measure and recognize compensation expense for all stock-based payments at fair value.

Income Taxes

Income taxes are calculated in accordance with ASC Topic 740-10, Income Taxes ("ASC 740-10"), which requires the use of the asset and liability method. Deferred tax assets and liabilities are recognized based on the difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using current enacted tax rates in effect in the years in which those temporary differences are expected to reverse. Inherent in the measurement of deferred balances are certain judgments and interpretations of enacted tax law and published guidance with respect to applicability to the Company's operations. The effective tax rate utilized by the Company reflects management's judgment of the expected tax liabilities within the various taxing jurisdictions.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, net operating loss carryback potential, and tax planning strategies in making these assessments.

The Company adopted guidance under ASC 740 as it relates to uncertain tax positions. The implementation of this guidance did not have a significant impact on our financial position or results of operations. We are continuing our practice of recognizing interest and penalties related to income tax matters in income tax expense.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We limit exposure to foreign currency fluctuations by requiring the majority of our licenses to be denominated in U.S. dollars. Certain other licenses are denominated in Japanese Yen and the Euro. To mitigate interest rate risks, we have, from time to time, purchased derivative financial instruments such as forward contracts to convert certain portions of our revenue and cash received in foreign currencies to fixed exchange rates. If there were an adverse change in the exchange rate from Japanese Yen to U.S. dollars or the Euro to U.S. dollars of less than 10%, the expected effect on net income would be immaterial.

Moreover, in connection with the warrant transactions with the counterparties related to our 1.50% Convertible Notes, to the extent that the price of our common stock exceeds the strike price of the warrants, the warrant transactions could have a dilutive effect on our earnings per share. The effect, if any, of these transactions and activities on the trading price of our common stock will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our common stock.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data required to be submitted in response to this Item 8 are set forth after Part IV, Item 15 of this report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial and accounting officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K (December 31, 2016). Based upon that evaluation, our principal executive officer and principal financial and accounting officer have concluded due to a material weakness in internal control over financial reporting described below, our disclosure controls and procedures were not effective as of December 31, 2016.

The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits 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 by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

Refer to Management's Annual Report on Internal Control over Financial Reporting for changes in internal controls over financial reporting for the year ended December 31, 2016.

Limitation on Effectiveness of Controls

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well conceived, designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

Management's Annual Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act. The Company's internal control over financial reporting is a process designed by, or under the supervision of, our principal executive officer and principal financial and accounting officer, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP. Internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with US GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may change over time.

Our management, under the supervision of our principal executive officer and principal financial and accounting officer, conducted an evaluation of the effectiveness of our internal controls over financial reporting based on the framework in Internal

Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that all material weaknesses which existed at December 31, 2015, were remediated as of December 31, 2016. However, management concluded that certain management review controls related to our statement of cash flows and our intangible asset impairment testing were not adequate as the controls in place failed to detect certain material errors.

As a result of these material weaknesses, management concluded that our internal controls over financial reporting were not effective as of December 31, 2016. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

Our independent registered public accounting firm, BDO USA LLP ("BDO"), have issued their report on our internal controls over financial reporting as of December 31, 2016, which appears in this item 9A.

Remediation Actions

In 2017, additional review procedures will be performed by the Senior Vice President-Finance and the Chief Financial Officer and certain additional control procedures will be adopted to mitigate the material weaknesses noted above.

In 2015, material weaknesses were identified in certain of the Company's review and other controls, which have been enumerated in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, as amended. In 2016, the current senior management team was dedicated to continuing its initiative to implement and document policies, procedures, and internal controls, for strengthening the internal control environment. Such actions were also performed with Audit Committee oversight. In 2015 and 2016, remediation actions included the following:

- Hired a new President (February 2016) who became the Chief Executive Officer in April 2016; who has taken an active role in closely monitoring the Company's policies and internal controls.
- When the new President became Chief Executive Officer in April 2016, the positions of Chief Executive Officer and Board Chairman were separated.
- Hired a Director of Internal Audit, a Vice President of Tax and a Director of Financial Reporting in 2016. All individuals are Certified Public Accountants. The Director of Internal Audit reports directly to the Audit Committee.
- Retained a third party international accounting firm to assist with internal audit activities at the direction of our Director of Internal Audit.
- Reorganized the Accounting department and hired additional accounting employees to enhance the control environment.
- Addressed internal control weaknesses identified by the Special Committee, external auditors, and the senior management team. In certain areas, internal controls were in place but not documented. Accordingly, throughout 2016, the Company formally documented processes and internal controls in key financial reporting areas, including the review of license agreements, cash disbursements, account reconciliations/analysis, journal entries and review of financial statements. Where applicable, these processes and internal controls were complimented with the development and implementation of use of forms and documents.
- A formal process for the identification of related party transactions was developed in the first and second quarter of 2016 which included a list of related parties/affiliated entities, and respective internal controls for confirming the accuracy of the list on a go-forward basis.
- The Company's Disclosure Committee utilized a "sub-certification process", the purpose of which was to review all regulatory filings to help ensure the completeness and accuracy of disclosures.
- The Company's current Code of Conduct was updated to be more explicit regarding the importance of business personnel communicating information to the Chief Financial Officer and the General Counsel. In addition, the Code of Conduct was updated to be more explicit requiring that all material terms and conditions of all business or financial transactions, licenses, joint ventures, agreements, commitments or other arrangements involving the Company must be in writing.
- Established annual training for all Independent Directors, management and key non-management personnel around the Code of Conduct and other company policies. Annual certifications of compliance with the Code of Conduct and other company policies are required.

Management has determined that the remediation actions discussed above were effectively designed and demonstrated effective operation for a sufficient period to enable the Company to conclude that the 2015 material weaknesses related to certain review and other controls have been remediated.

The principal executive officer and principal financial officer also conducted an evaluation of internal control over financial reporting, herein referred to as internal control, to determine whether any changes in internal control occurred during the three months ended December 31, 2016 that may have materially affected or which are reasonably likely to materially affect internal control. Based on that evaluation, there have been no other changes in the Company's internal control during the three months ended December 31, 2016 that has materially affected, or is reasonably likely to materially affect, the Company's internal control, except for the matters relating to our statement of cash flows and intangible asset impairment testing discussed above.

The foregoing has been approved by our current management team, including our Chief Executive Officer and Chief Financial Officer, who have been involved with the reassessment and analysis of our internal control over financial reporting.

The Audit Committee, which consists of independent, non-executive directors, will continue to meet regularly with management, the Director of Internal Audit, and the independent accountants to review accounting, reporting, auditing and internal control matters. The Audit Committee has direct and private access to the Director of Internal Audit and the external auditors, and will meet with each, separately, in executive sessions. The Company reviewed the results of management's assessment of its internal control over financial reporting with the Audit Committee of the Board of Directors and they agreed with the conclusions.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Iconix Brand Group, Inc.
New York, New York

We have audited Iconix Brand Group, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Iconix Brand Group Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Annual Report on Internal Control Over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and described in Management's Assessment. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2016 financial statements.

- Inadequate management review controls resulting in errors in the statement of cash flows.
- Inadequate management review controls resulting in errors in the calculation of impairment charges to intangibles and goodwill.

In our opinion, Iconix Brand Group, Inc. did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the COSO criteria.

We do not express an opinion or any other form of assurance on management's statements referring to any corrective actions taken by the Company after the date of management's assessment.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Iconix Brand Group, Inc. as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2016 and our report dated March 15, 2017 expressed an unqualified opinion thereon.

/s/ BDO USA LLP

New York, New York
March 15, 2017

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item concerning our directors, executive officers and certain corporate governance matters is incorporated by reference from our definitive proxy statement relating to our Annual Meeting of Stockholders to be held in 2017 ("2017 Definitive Proxy Statement") to be filed with the SEC.

Code of Business Conduct

We have adopted a written code of business conduct that applies to our officers, directors and employees. Copies of our code of business conduct are available, without charge, upon written request directed to our corporate secretary at Iconix Brand Group, Inc., 1450 Broadway, New York, NY 10018.

Item 11. Executive Compensation

The information required under this item is hereby incorporated by reference from our 2017 Definitive Proxy Statement to be filed with the SEC.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required under this item is hereby incorporated by reference from our 2017 Definitive Proxy Statement to be filed with the SEC.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required under this item is hereby incorporated by reference from our 2017 Definitive Proxy Statement to be filed with the SEC.

Item 14. Principal Accounting Fees and Services

The information required under this item is hereby incorporated by reference from our 2017 Definitive Proxy Statement to be filed with the SEC.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents included as part of this Annual Report

1. The following consolidated financial statements are included in this Annual Report:

- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets—December 31, 2016 and December 31, 2015
- Consolidated Statements of Operations for the years ended December 31, 2016, 2015 and 2014
- Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2016, 2015 and 2014
- Consolidated Statements of Stockholders' Equity for the years ended December 31, 2016, 2015 and 2014
- Consolidated Statements of Cash Flows for the years ended December 31, 2016, 2015 and 2014
- Notes to Consolidated Financial Statements

2. The following financial statement schedules are included in this Annual Report:

 • Report of Independent Registered Public Accounting Firm on Financial Statement Schedule

- Schedule II Valuation and qualifying accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

3. See the Index to Exhibits for a list of exhibits filed as part of this Annual Report.

(b) See Item (a) 3 above.

(c) See Item (a) 2 above.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ICONIX BRAND GROUP, INC.

Date: March 15, 2017

By: /s/ John N. Haugh
John N. Haugh
President and Chief Executive Officer (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Name	Title	Date
/s/ F. John N. Haugh John N. Haugh	Director, President and Chief Executive Officer (Principal Executive Officer)	March 15, 2017
/s/ David K. Jones David K. Jones	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 15, 2017
/s/ F. Peter Cuneo F. Peter Cuneo	Director, Chairman of the Board	March 15, 2017
/s/ Drew Cohen Drew Cohen	Lead Director	March 15, 2017
/s/ Mark Friedman Mark Friedman	Director	March 15, 2017
/s/ James A. Marcum James A. Marcum	Director	March 15, 2017
/s/ Sue Gove Sue Gove	Director	March 15, 2017
/s/ Sanjay Khosla Sanjay Khosla	Director	March 15, 2017
/s/ Kristen O'Hara Kristen O'Hara	Director	March 15, 2017
/s/ Kenneth Slutsky Kenneth Slutsky	Director	March 15, 2017

Index to Exhibits

Exhibit Numbers	Description
2.1	Contribution and Sale Agreement dated October 26, 2009 by and among the Company, IP Holder LLC, now known as IP Holdings Unltd LLC, Seth Gerszberg, Suchman LLC, Yakira, L.L.C., Ecko.Complex, LLC, Zoo York LLC and Zoo York THC LLC (1) +
2.2	Membership Interest Purchase Agreement dated as of March 9, 2010 by and between the Company and Purim LLC (2) +
2.3	Purchase Agreement dated as of April 26, 2010 by and among the Company, United Features Syndicate, Inc. and The E.W. Scripps Company (3) +
2.4	Asset Purchase Agreement dated April 26, 2011 by and among Hardy Way LLC, Nervous Tattoo, Inc. and Audigier Brand Management Group, LLC (4) +
2.5	Asset Purchase Agreement dated October 26, 2011 by and between the Company and Sharper Image Acquisition LLC (5) +
2.6	Asset Purchase Agreement dated October 24, 2012 by and among Iconix Brand Group, Inc., Umbro IP Holdings LLC, Iconix Luxembourg Holdings SÀRL, Umbro International Limited, Nike Global Services Pte. Ltd. and NIKE, Inc (6) +
3.1	Certificate of Incorporation, as amended(9)
3.2	Restated and Amended By-Laws(10)
3.3	Certificate of Designation, Preferences and Rights of Series B Junior Participating Preferred Stock of the Company(40)*
4.1	Indenture, dated May 23, 2011, between the Company and The Bank of New York Mellon Trust, N.A.(11)
4.2	Global Note(11)
4.3	Base Indenture dated November 29, 2012(12)
4.4	Supplemental Indenture dated November 29, 2012(12)
4.5	Supplemental Indenture Series 2013-1 Supplement dated as of June 21, 2013(8)
4.6	Indenture 1.50% Convertible Senior Subordinated Notes Due 2018 dated as of March 18, 2013(39)
4.7	Global Note(39)
4.8	Rights Agreement dated as of January 27, 2016 between the Company and Continental Stock Transfer & Trust Company, as Rights Agent(40)
10.2	2000 Stock Option Plan of the Company(14)*
10.3	2001 Stock Option Plan of the Company(15)*
10.4	2002 Stock Option Plan of the Company(16)*
10.5	Non-Employee Director Stock Incentive Plan(17)*
10.6	401(K) Savings Plan of the Company(18)
10.7	The Company's 2006 Equity Incentive Plan and forms of options granted thereunder(19)*
10.8	Form of Restricted Stock Agreement for officers under the Company's 2006 Equity Incentive Plan(20)*
10.9	Form of Restricted Stock Agreement for Directors under the Company's 2006 Equity Incentive Plan(20)*
10.10	Form of Option Agreement under the Company's 1997 Stock Option Plan(21)*
10.11	Form of Option Agreement under the Company's 2000 Stock Option Plan(21)*
10.12	Form of Option Agreement under the Company's 2001 Stock Option Plan(21)*
10.13	Form of Option Agreement under the Company's 2002 Stock Option Plan(21)*
10.14	Common Stock Purchase Warrant issued to UCC Consulting Corporation(22)
10.15	Note and Security Agreement dated November 7, 2007 made by Artful Holdings, LLC in favor of the Company (23)

Exhibit Numbers	Description
10.16	Lease dated as of November 12, 2007 with respect to the Company's Executive Offices(24)
10.17	Iconix Brand Group, Inc. Executive Incentive Bonus Plan(25)*
10.18	Form of restricted stock agreement under the 2009 Equity Incentive Plan(28)*
10.19	Form of stock option agreement under the 2009 Equity Incentive Plan(28)*
10.20	Employment Agreement dated February 26, 2009 between the Company and David Blumberg(29)*
10.21	Restricted Stock Agreement with David Blumberg dated September 22, 2009(29)*
10.22	Purchase Agreement, dated May 17, 2011, among Iconix Brand Group, Inc., Barclays Capital Inc. and Goldman, Sachs & Co. (11)
10.23	Confirmation of OTC Convertible Note Hedge, dated May 17, 2011, between the Company Inc. and Barclays Capital Inc., acting as agent for Barclays Bank PLC (11)
10.24	Confirmation of OTC Convertible Note Hedge, dated May 17, 2011, between the Company and Goldman, Sachs & Co. (11)
10.25	Confirmation of OTC Warrant Transaction, dated May 17, 2011, between the Company and Barclays Capital Inc., acting as agent for Barclays Bank PLC (11)
10.26	Confirmation of OTC Warrant Transaction, dated May 17, 2011, between the Company and Goldman, Sachs & Co. (11)
10.27	Confirmation of Additional OTC Convertible Note Hedge, dated May 18, 2011, between the Company and Barclays Capital Inc., acting as agent for Barclays Bank PLC (11)
10.28	Confirmation of Additional OTC Convertible Note Hedge, dated May 18, 2011, between the Company and Goldman, Sachs & Co. (11)
10.29	Confirmation of Additional OTC Warrant Transaction, dated May 18, 2011, between the Company and Barclays Capital Inc., acting as agent for Barclays Bank PLC (11)
10.30	Confirmation of Additional OTC Warrant Transaction, dated May 18, 2011, between the Company and Goldman, Sachs & Co. (11)
10.31	Revolving Credit Agreement dated as of November 22, 2011 among the Company, as Borrower, and the several banks and other financial institutions or entities from time to time parties thereto, Barclays Capital, the investment banking division of Barclays Bank PLC, Goldman Sachs Bank USA and GE Capital Markets, Inc., as Joint Lead Arrangers and Joint Bookrunners, Goldman Sachs Bank USA and GE Capital Markets, Inc., as Syndication Agents, Barclays Bank PLC, as Documentation Agent, and Barclays Bank PLC, as Administrative Agent (33)
10.32	Guarantee and Collateral Agreement dated as of November 22, 2011 made by the Company and certain of its Subsidiaries in favor of Barclays Bank PLC, as Administrative Agent (33)
10.33	Employment Agreement dated March 5, 2012 between the Company and David Blumberg(34)*
10.34	Class A-1 Note Purchase Agreement dated November 29, 2012 by and among Registrant, Co-Issuers, Certain Conduit Investors, Certain Financial Institutions, Certain Funding Agents, Barclays Bank PLC, as L/C Provider, Barclays Bank PLC as Swingline Lender and Barclays Bank PLC, as Administrative Agent (12)
10.35	Management Agreement dated November 29, 2012 by and among the Co-Issuers, Registrant and Citibank, N.A., as trustee (12)
10.36	Amendment to Employment Agreement entered into February 15, 2013 to be effective February 1, 2013 between the Company and David Blumberg (35) *
10.37	PSU Agreement dated February 15, 2013 between Iconix Brand Group, Inc. and David Blumberg(35)*
10.38	Form of RSU Agreement pursuant to the Amended and Restated 2009 Plan (Executive)(36)*
10.39	Form of RSU Agreement pursuant to the Amended and Restated 2009 Plan (Non-Executive)(36)*
10.40	Form of RSU Agreement pursuant to the Amended and Restated 2009 Plan (Non-employee Director)(36)*
10.41	Amended and Restated 2009 Equity Incentive Plan(36)*

Exhibit Numbers	Description
10.42	Clawback policy form of Acknowledgement(36)*
10.43	Employment Agreement dated as of August 19, 2013 between the Company and Jason Schaefer(37)*
10.44	Purchase Agreement dated March 12, 2013 between Iconix Brand Group, Inc. and Barclays Capital Inc.(39)
10.45	Confirmation of OTC Convertible Note Hedge dated March 13, 2013 between Iconix Brand Group, Inc. and Barclays Capital Inc., acting as agent for Barclays Bank PLC (39)
10.46	Confirmation of Additional OTC Convertible Note Hedge dated March 13, 2013 between Iconix Brand Group, Inc. and Barclays Capital Inc., acting as agent for Barclays Bank PLC (39)
10.47	Confirmation of OTC Warrant Transaction dated March 13, 2013 between Iconix Brand Group, Inc. and Barclays Capital Inc., acting as agent for Barclays Bank PLC (39)
10.48	Confirmation of Additional OTC Warrant Transaction dated March 13, 2013 between Iconix Brand Group, Inc. and Barclays Capital Inc., acting as agent for Barclays Bank PLC (39)
10.50	Employment Agreement dated as of June 10, 2015 between the Company and David Jones(41)*
10.51	Employment Agreement dated as of September 8, 2015 between the Company and F. Peter Cuneo. (45)*
10.52	Employment Agreement dated as of February 18, 2016 between the Company and John Haugh(42)*
10.53	Employment Agreement dated as of February 24, 2016 between the Company and David Blumberg(42)*
10.54	Credit Agreement dated as of March 7, 2016 between IBG Borrower LLC, as the borrower ("IBG Borrower"), the Company and certain of IBG Borrower's wholly-owned subsidiaries, as guarantors, Cortland Capital Market Services LLC, as administrative agent and collateral agent and the lenders party thereto from time to time, including CF ICX LLC and Fortress Credit Co LLC(43)
10.55	Facility Guaranty dated as of March 7, 2016 between the Company and certain wholly-owned subsidiaries of IBG Borrower LLC, as guarantors and Cortland Capital Market Services LLC, as administrative agent and collateral agent(43)
10.56	Security Agreement dated as of March 7, 2016 between the Company, IBG Borrower LLC and certain of its wholly-owned subsidiaries, as Grantors, and Cortland Capital Market Services LLC, as Collateral Agent(43)
10.57	2015 Executive Incentive Plan(44)*
10.58	Employment Agreement dated as of April 28, 2016 between the Company and Peter Cuneo(46)*
10.59	Form of Exchange Agreement(47)
10.60	Form of Exchange Agreement(47)
10.61	Agreement dated as of September 26, 2016 by and among Iconix Brand Group, Inc., Huber Capital Management, LLC and Joseph R. Huber(48)
10.62	2016 Omnibus Incentive Plan(49)*
10.63	Separation Agreement dated as of December 15, 2016 between the Company and David Blumberg++*
10.64	Asset Purchase Agreement dated December 23, 2016 by and among Iconix Brand Group, Inc., 360 Holdings II-A LLC, Icon NY Holdings LLC, Iconix Latin America LLC and Sharper Image Holdings LLC++
10.65	Executive Severance Plan++*
21	Subsidiaries of the Company++
23	Consent of BDO USA, LLP++
31.1	Certification of Chief Executive Officer Pursuant To Rule 13a-14 Or 15d-14 Of The Securities Exchange Act Of 1934, As Adopted Pursuant To Section 302 Of The Sarbanes-Oxley Act Of 2002++
31.2	Certification of Principal Financial Officer Pursuant To Rule 13a-14 Or 15d-14 Of The Securities Exchange Act Of 1934, As Adopted Pursuant To Section 302 Of The Sarbanes-Oxley Act of 2002++

Exhibit Numbers	Description
32.1	Certification of Chief Executive Officer Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act of 2002++
32.2	Certification of Principal Financial Officer Pursuant To 18 U.S.C. Section 1350, As Adopted pursuant To Section 906 Of The Sarbanes-Oxley Act Of 2002++
101.INS	XBRL Instance Document++
101.SCH	XBRL Schema Document++
101.CAL	XBRL Calculation Linkbase Document ++
101.DEF	XBRL Definition Linkbase Document++
101.LAB	XBRL Label Linkbase Document++
101.PRE	XBRL Presentation Linkbase Document++

(1) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated October 30, 2009 and incorporated herein by reference.
(2) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated March 9, 2010 and incorporated by reference herein.
(3) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated April 26, 2010 and incorporated by reference herein.
(4) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated April 26, 2011 and incorporated by reference herein.
(5) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated October 26, 2011 and incorporated by reference herein.
(6) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated November 30, 2012 and incorporated by reference herein.
(7) [Intentionally omitted.]
(8) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated June 21, 2013 and incorporated by reference herein.
(9) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007 and incorporated by reference herein.
(10) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated August 6, 2012 and incorporated by reference herein.
(11) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated May 17, 2011 and incorporated by reference herein.
(12) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated November 29, 2012 and incorporated by reference herein.
(13) Intentionally omitted.
(14) Filed as Exhibit A to the Company's definitive Proxy Statement dated July 18, 2000 as filed on Schedule 14A and incorporated by reference herein.
(15) Filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended January 31, 2002 and incorporated by reference herein.
(16) Filed as Exhibit B to the Company's definitive proxy statement dated May 28, 2002 as filed on Schedule 14A and incorporated by reference herein.
(17) Filed as Appendix B to the Company's definitive Proxy Statement dated July 2, 2001 as filed on Schedule 14A and incorporated by reference herein.
(18) Filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended January 31, 2003 and incorporated by reference herein.
(19) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated July 31, 2008 and incorporated by reference herein.
(20) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 and incorporated by reference herein.
(21) Filed as an exhibit to the Company's Transition Report on Form 10-K for the transition period from February 1, 2004 to December 31, 2004 and incorporated by reference herein.
(22) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 and incorporated by reference herein.

(23) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated November 7, 2007 and incorporated by reference herein.
(24) Filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2007 and incorporated by reference herein.
(25) Filed as Annex B to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on April 7, 2008 and incorporated by reference herein.
(26) [Intentionally omitted.]
(27) [Intentionally omitted.]
(28) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009 and incorporated herein by reference.
(29) Filed as an exhibit to the Company's Report on Form 10-K for the year ended December 31, 2009 and incorporated by reference herein.
(30) [Intentionally omitted.]
(31) [Intentionally omitted.]
(32) [Intentionally omitted.]
(33) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated November 22, 2011 and incorporated by reference herein.
(34) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated March 5, 2012 and incorporated by reference herein.
(35) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated February 15, 2013 and incorporated by reference herein.
(36) Filed as an exhibit to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2012 and incorporated by reference herein.
(37) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 and incorporated by reference herein.
(38) [Intentionally omitted.]
(39) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated March 12, 2013 and incorporated by reference herein.
(40) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated January 27, 2016 and incorporated by reference herein,
(41) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 and incorporated by reference herein.
(42) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated February 18, 2016 and incorporated by reference herein.
(43) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated March 7, 2016 and incorporated by reference herein.
(44) Filed as Annex A to the Company's Definitive Proxy Statement dated October 23, 2015 as filed on Schedule 14A and incorporated by reference herein.
(45) Filed as an exhibit to the Company's Report on Form 10-K for the year ended December 31, 2015 and incorporated by reference herein.
(46) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 and incorporated by reference herein.
(47) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated June 10, 2016 and incorporated by reference herein.
(48) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated September 28, 2016 and incorporated by reference herein.
(49) Filed as Annex A to the Company's Definitive Proxy Statement dated October 4, 2016 as filed on Schedule 14A and incorporated by reference herein.

* Denotes management compensation plan or arrangement
\+ Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Iconix Brand Group, Inc. hereby undertakes to furnish supplementally to the Securities and Exchange Commission copies of any of the omitted schedules and exhibits upon request by the Securities and Exchange Commission.
++ Filed herewith.

Annual Report on Form 10-K

Item 8, 15(a)(1) and (2), (c) and (d)

List of Financial Statements and Financial Statement Schedule

Year ended December 31, 2016

Iconix Brand Group, Inc. and Subsidiaries

Form 10-K

Index to Consolidated Financial Statements and Financial Statement Schedule

The following consolidated financial statements of Iconix Brand Group Inc. and subsidiaries are included in Item 15:

The following consolidated financial statement schedule of Iconix Brand Group, Inc. and subsidiaries is included in Item 15(d):

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Iconix Brand Group, Inc.
New York, New York

We have audited the accompanying consolidated balance sheets of Iconix Brand Group, Inc. and Subsidiaries (the "Company") as of December 31, 2016 and 2015 and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Iconix Brand Group, Inc. and Subsidiaries at December 31, 2016 and 2015, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Iconix Brand Group, Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) our report dated March 15, 2017 expressed an adverse opinion thereon.

/s/ BDO USA, LLP
March 15, 2017
New York, New York

Iconix Brand Group, Inc. and Subsidiaries
Consolidated Balance Sheets
(in thousands, except par value)

	December 31, 2016	December 31, 2015 (revised)
Assets		
Current Assets:		
Cash and cash equivalents	$ 149,411	$ 169,971
Restricted cash	177,269	49,544
Accounts receivable, net	85,187	103,792
Other assets – current	32,274	44,116
Total Current Assets	444,141	367,423
Property and equipment:		
Furniture, fixtures and equipment	27,630	24,138
Less: Accumulated depreciation	(18,285)	(16,639)
	9,345	7,499
Other Assets:		
Other assets	19,224	28,748
Deferred income tax asset	884	—
Trademarks and other intangibles, net	1,208,243	1,696,524
Investments and joint ventures	99,399	147,312
Goodwill	224,279	257,095
	1,552,029	2,129,679
Total Assets	$ 2,005,515	$ 2,504,601
Liabilities, Redeemable Non-Controlling Interest and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 72,161	$ 52,062
Deferred revenue	20,166	29,161
Current portion of long-term debt	160,435	61,123
Other liabilities – current	1,311	3,571
Total current liabilities	254,073	145,917
Deferred income tax liability	86,099	181,193
Other tax liabilities	5,243	4,865
Long-term debt, less current maturities	1,093,725	1,388,269
Other liabilities	15,002	19,550
Total Liabilities	$ 1,454,142	$ 1,739,794
Redeemable Non-Controlling Interests, net of installment payments due from non-controlling interest holders, redemption value of $60,665 and $64,935, respectively	56,729	48,646
Commitments and contingencies		
Stockholders' Equity:		
Common stock, $.001 par value shares authorized 150,000; shares issued 89,717 and 80,609, respectively	89	80
Additional paid-in capital	1,033,729	974,021
Retained earnings	254,915	514,761
Accumulated other comprehensive loss	(70,428)	(60,893)
Less: Treasury stock – 32,680 and 32,028 shares at cost, respectively	(842,952)	(837,179)
Total Iconix Brand Group, Inc. Stockholders' Equity	375,353	590,790
Non-controlling interests, net of installment payments due from non-controlling interest holders	119,291	125,371
Total Stockholders' Equity	$ 494,644	$ 716,161
Total Liabilities, Redeemable Non-Controlling Interest and Stockholders' Equity	$ 2,005,515	$ 2,504,601

See accompanying notes to consolidated financial statements

Iconix Brand Group, Inc. and Subsidiaries
Consolidated Statements of Operations
(in thousands, except earnings per share data)

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Licensing revenue	$ 368,461	$ 379,197	$ 391,490
Selling, general and administrative expenses	206,589	204,946	181,651
Depreciation and amortization	3,461	4,720	7,135
Equity earnings on joint ventures	(3,578)	(5,330)	(11,325)
Gains on sale of trademarks, net	(38,104)	—	(6,399)
Goodwill impairment	18,331	35,132	—
Trademark impairment	424,890	402,392	—
Operating income (loss)	(243,128)	(262,663)	220,428
Other expenses (income):			
Interest expense	97,542	86,233	84,523
Interest income	(1,580)	(4,230)	(3,711)
Other income, net	(17,508)	(50,904)	(29,239)
Loss on extinguishment of debt, net	5,903	—	—
Foreign currency translation loss (gain)	(1,484)	(9,488)	1,745
Other expenses – net	82,873	21,611	53,318
Income (loss) before income taxes	(326,001)	(284,274)	167,110
Provision (benefit) for income taxes	(76,492)	(95,344)	48,288
Net (loss) income	(249,509)	(188,930)	118,822
Less: Net income attributable to non-controlling interest	2,625	373	15,099
Net (loss) income attributable to Iconix Brand Group, Inc.	$ (252,134)	$ (189,303)	$ 103,723
Earnings (loss) per share:			
Basic	$ (4.82)	$ (3.92)	$ 2.14
Diluted	$ (4.82)	$ (3.92)	$ 1.81
Weighted average number of common shares outstanding:			
Basic	52,338	48,293	48,431
Diluted	52,338	48,293	57,366

See accompanying notes to consolidated financial statements.

Iconix Brand Group, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)
(in thousands)

	Year Ended December 31		
	2016	2015	2014
Net (loss) income	$ (249,509)	$ (188,930)	$ 118,822
Other comprehensive income (loss):			
Foreign currency translation loss	(7,545)	(36,004)	(40,672)
Change in fair value of available for sale securities	(1,990)	(703)	—
Total other comprehensive loss	(9,535)	(36,707)	(40,672)
Comprehensive income (loss)	(259,044)	(225,637)	78,150
Less: comprehensive income attributable to non-controlling interest	2,625	373	15,099
Comprehensive (loss) income attributable to Iconix Brand Group, Inc.	$ (261,669)	$ (226,010)	$ 63,051

See accompanying notes to consolidated financial statements.

Iconix Brand Group, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity
(in thousands)

	Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	Treasury	Non-Controlling	
	Shares	Amount	Capital	Earnings	Loss	Stock	Interest	Total
Balance at January 1, 2014	77,048	$ 77	$ 906,481	$ 614,340	$ 16,486	$ (599,816)	$ 122,929	$ 1,060,497
Shares issued on vesting of restricted stock	883	1	—	—	—	—	—	1
Purchase of minority interest in consolidated joint venture			(525)				—	(525)
Shares issued on exercise of stock options and warrants	1,332	1	10,087	—	—	—	—	10,088
Tax benefit of stock option exercises	—	—	10,703	—	—	—	—	10,703
Tax effect on formation of joint venture	—	—	(4,316)	—	—	—	—	(4,316)
Compensation expense in connection with restricted stock and stock options	—	—	18,492	—	—	—	—	18,492
Shares repurchased on the open market	—	—	—	—	—	(193,434)	—	(193,434)
Cost of shares repurchased on vesting of restricted stock	—	—	—	—	—	(19,179)	—	(19,179)
Non-controlling interest of acquired companies	—	—	—	—	—	—	11,526	11,526
Payments from non-controlling interest holders	—	—	—	—	—	—	549	549
Change in redemption value of redeemable non-controlling interest holders	—	—	—	(3,051)	—	—	—	(3,051)
Net income	—	—	—	103,723	—	—	15,099	118,822
Foreign currency translation	—	—	—	—	(40,672)	—	—	(40,672)
Distributions to joint ventures	—	—	—	(1,193)	—	—	(16,871)	(18,064)
Balance at January 1, 2015	79,263	$ 79	$ 940,922	$ 713,819	$ (24,186)	$ (812,429)	$ 133,232	$ 951,437
Issuance of common stock related to acquisition of interest in joint venture	465	—	15,703	—	—	—	—	15,703
Shares issued on vesting of restricted stock	806	1	—	—	—	—	—	1
Purchase of minority interest in consolidated joint venture	—	—	3,620	—	—	—	14,751	18,371
Shares issued on exercise of stock options and warrants	75	—	321	—	—	—	—	321
Tax benefit of stock option exercises	—	—	2,006	—	—	—	—	2,006
Compensation expense in connection with restricted stock and stock options	—	—	11,449	—	—	—	—	11,449
Shares repurchased on the open market	—	—	—	—	—	(12,391)	—	(12,391)
Shares repurchased on vesting of restricted stock and exercise of stock options	—	—	—	—	—	(12,359)	—	(12,359)
Non-controlling interest of acquired companies	—	—	—	—	—	—	(9,168)	(9,168)
Payments from non-controlling interest holders	—	—	—	—	—	—	3,523	3,523
Change in redemption value of redeemable non-controlling interest holders	—	—	—	(5,015)	—	—	—	(5,015)
Change in fair value of available for sale securities	—	—	—	—	(703)	—	—	(703)
Net income (loss)	—	—	—	(189,303)	—	—	373	(188,930)

	Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	Treasury	Non-Controlling	
	Shares	Amount	Capital	Earnings	Loss	Stock	Interest	Total
Foreign currency translation	—	—	—	—	(36,004)	—	—	(36,004)
Distributions to joint venture partners	—	—	—	(4,740)	—	—	(17,340)	(22,080)
Balance at January 1, 2016 (revised)	80,609	$ 80	$ 974,021	$ 514,761	$ (60,893)	$ (837,179)	$ 125,371	$ 716,161
Shares issued on vesting of restricted stock	1,700	2	—	—	—	—	—	2
Tax benefit of stock option exercises and restricted stock vestings	—	—	445	—	—	—	—	445
Compensation expense in connection with restricted stock and stock options	—	—	6,805	—	—	—	—	6,805
Shares issued on repurchase of convertible notes	7,408	7	51,318	—	—	—	—	51,325
Repurchase of equity portion of convertible notes		—	(1,164)	—	—	—	—	(1,164)
Shares repurchased on vesting of restricted stock and exercise of stock options	—	—	—	—	—	(620)	—	(620)
Sale of minority interest in Umbro China	—	—	718	—	—	—	1,782	2,500
Clawback of shares from settlement with former management	—	—		—	—	(5,153)	—	(5,153)
Purchase of minority interest in LC Partners US	—	—	1,114	—	—	—	—	1,114
Payments from non-controlling interest holders, net of imputed interest	—	—	—	—	—	—	506	506
Tax effect of repurchase of convertible notes	—	—	413	—	—	—	—	413
Tax benefit related to amortization of convertible notes' discount	—	—	154	—	—	—	—	154
Change in redemption value of redeemable non-controlling interest holders	—	—	—	(97)	—	—	—	(97)
Change in fair value of available for sale securities	—	—	—	—	(1,990)	—	—	(1,990)
Net income (loss)	—	—	—	(252,134)	—	—	2,625	(249,509)
Foreign currency translation	—	—	(95)	—	(7,545)	—	—	(7,640)
Distributions to joint venture partners	—	—	—	(7,615)	—	—	(10,993)	(18,608)
Balance at December 31, 2016	89,717	$ 89	$ 1,033,729	$ 254,915	$ (70,428)	$ (842,952)	$ 119,291	$ 494,644

See accompanying notes to consolidated financial statements.

Iconix Brand Group, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Cash flows from operating activities:			
Net income (loss)	$ (249,509)	$ (188,930)	$ 118,822
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation of property and equipment	1,734	1,631	2,605
Amortization of trademarks and other intangibles	1,727	3,088	4,530
Amortization of deferred financing costs	8,364	4,826	5,263
Amortization of convertible note discount	21,745	31,455	29,616
Stock-based compensation expense	6,805	11,449	18,492
Non-cash gain on re-measurement of equity investment	—	(49,990)	(28,898)
Provision for doubtful accounts	13,530	25,128	9,627
Earnings on equity investments in joint ventures	(3,578)	(5,330)	(11,325)
Distributions from equity investments	4,500	5,954	7,145
Gain on sale of fixed assets	—	(225)	—
Impairment of trademarks and goodwill	443,221	437,524	—
Gain on sale of securities	—	—	(342)
Gain on sale of trademarks	(38,104)	—	(6,399)
Gain on sale of Complex Media	(10,164)	—	—
Loss on extinguishment of debt, net	5,903	—	—
Gain on settlement with former management	(7,328)	—	—
Deferred income tax provision	(95,580)	(112,836)	32,124
Gain on foreign currency translation	(1,484)	(9,488)	—
Changes in operating assets and liabilities, net of business acquisitions:			
Accounts receivable	4,159	(12,893)	(22,575)
Other assets – current	(7,567)	(1,779)	(13,209)
Other assets	9,664	15,886	(4,142)
Deferred revenue	(8,015)	8,158	(5,025)
Accounts payable and accrued expenses	22,153	26,613	23,700
Net cash provided by operating activities	122,176	190,241	160,009
Cash flows provided by (used in) investing activities:			
Purchases of property and equipment	(3,636)	(1,433)	(1,505)
Acquisition of interest in Galore Media	(500)	—	—
Acquisition of interest in Latin America	—	—	(42,000)
Acquisition of interest in NGX	—	—	(6,000)
Acquisition of interest in Hydraulic	—	—	(6,000)
Acquisition of interest in iBrands	—	—	(2,500)
Acquisition of interest in Iconix China, net of cash acquired	—	(20,400)	—
Acquisition of interest in Pony	—	(37,000)	—
Acquisition of interest in Strawberry Shortcake	—	(95,000)	—
Acquisition of interest in LC Partners US	(1,250)	—	—
Issuance of note to American Greetings	—	(10,000)	—
Proceeds received from note due from American Greetings	5,000	3,750	—
Acquisition of trademarks from Iconix Southeast Asia	(5,600)	(3,500)	—
Purchase of securities	—	—	(5,998)
Proceeds received from note due from Buffalo International	6,962	7,727	8,948
Proceeds from sale of BBC Ice Cream	3,500	—	—
Proceeds from sale of Badgley Mischka	14,000	—	—
Proceeds from sale of Sharper Image	98,250	—	—
Proceeds from sale of interest in certain Badgley Mischka related assets in respect of the Greater China territory	1,200	—	—
Proceeds from sale of interest in TangLi International Holdings, Ltd.	11,352	—	—
Proceeds from sale of interest in Mecox Lane Limited	363	—	—
Proceeds from sale of interest in Complex Media	35,284	—	—

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Proceeds from sale of minority interest in Umbro trademarks in the Greater China territory	2,500	—	—
Proceeds from the sale of securities	—	—	6,341
Proceeds from sale of trademarks and related notes receivable	3,165	3,030	—
Proceeds from sale of fixed assets	—	225	—
Additions to trademarks	(427)	(438)	(915)
Net cash provided by (used in) investing activities	170,163	(153,039)	(49,629)
Cash flows (used in) provided by financing activities:			
Shares repurchased on the open market	—	(12,391)	(193,434)
Proceeds from Variable Funding Notes	—	100,000	—
Proceeds from long-term debt	300,000	—	—
Proceeds from sale of trademarks and related notes receivables to consolidated joint ventures	11,430	21,162	24,915
Payment of long-term debt	(253,490)	(61,124)	(62,856)
Repurchase of convertible notes	(178,973)	—	—
Payment of make-whole premium on repayment of long-term debt	(4,294)	—	—
Prepaid financing costs	(35,754)	(496)	—
Acquisition of interest in Scion	—	(6,000)	—
Payment to Purim	(2,000)	(2,000)	—
Distributions to non-controlling interests	(18,608)	(22,080)	(18,064)
Excess tax benefit from share-based payment arrangements	—	(2,006)	10,706
Tax benefit related to amortization of convertible notes' discount	154	—	—
Cost of shares repurchased on vesting of restricted stock and exercise of stock options	(620)	(15,515)	(16,024)
Proceeds from exercise of stock options and warrants	—	321	10,088
Restricted cash	(127,725)	10,015	(9,163)
Net cash provided by (used in) financing activities	(309,880)	9,886	(253,832)
Effect of exchange rate changes on cash	(3,019)	(5,156)	(7,298)
Net increase (decrease) in cash and cash equivalents	(20,560)	41,932	(150,750)
Cash and cash equivalents, beginning of period	169,971	128,039	278,789
Cash and cash equivalents, end of period	$ 149,411	$ 169,971	$ 128,039

Supplemental disclosure of cash flow information:	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Cash paid during the period:			
Income taxes (net of refunds received)	$ 7,534	$ (11,724)	$ 3,508
Interest	$ 59,601	$ 48,102	$ 48,224
Non-cash investing and financing activities:			
Issuance of shares in connection with repurchase of convertible notes	$ 51,325	$ —	$ —
Sale of trademarks for note receivable	$ —	$ —	$ 51,246
Shares repurchased on the open market included in payable	$ —	$ —	$ 3,156
Issuance of shares in connection with purchase of Iconix China	$ —	$ 15,703	$ —
Note payable in connection with purchase of Umbro China and Lee Cooper China trademarks	$ —	$ 8,400	$ —
Make-whole premium on repayment of long-term debt	$ 6,751	$ —	$ —

See accompanying notes to consolidated financial statements.

The Company

General

Iconix Brand Group is a brand management company and owner of a diversified portfolio of over 30 global consumer brands across the Company's operating segments: women's, men's, entertainment, home and international. The Company's business strategy is to maximize the value of its brands primarily through strategic licenses and joint venture partnerships around the world, as well as to grow the portfolio of brands through strategic acquisitions.

At December 31, 2016, the Company's brand portfolio includes Candie's ®, Bongo ®, Joe Boxer ®, Rampage ®, Mudd ®, London Fog ®, Mossimo ®, Ocean Pacific/OP ®, Danskin /Danskin Now ®, Rocawear ®/Roc Nation ®, Cannon ®, Royal Velvet ®, Fieldcrest ®, Charisma ®, Starter ®, Waverly ®, Ecko Unltd ®/Mark Ecko Cut & Sew ®, Zoo York ®, Umbro ®, Lee Cooper ®, Strawberry Shortcake ®, and Artful Dodger ®; and interests in Material Girl ®, Peanuts ®, Ed Hardy ®, Truth or Dare ®, Modern Amusement ®, Buffalo ®, Nick Graham ®, Hydraulic ®, and PONY ®.

The Company looks to monetize the intellectual property (herein referred to as "IP") related to its brands throughout the world and in all relevant categories by licensing directly with leading retailers (herein referred to as "direct to retail"), through consortia of wholesale licensees, through joint ventures in specific territories and through other activity such as corporate sponsorships and content as well as the sale of IP for specific categories or territories. Products bearing the Company's brands are sold across a variety of distribution channels from the mass tier (e.g. Wal-Mart) to better department stores (e.g. Macy's) and, in the case of the Peanuts brand, through various media outlets, including television, movies, digital and mobile content. The licensees are responsible for designing, manufacturing and distributing the licensed products. The Company supports its brands with advertising and promotional campaigns designed to increase brand awareness. Additionally, the Company provides its licensees with coordinated trend direction to enhance product appeal and help build and maintain brand integrity.

Licensees are selected based upon the Company's belief that such licensees will be able to produce and sell quality products in the categories of their specific expertise and that they are capable of exceeding minimum sales targets and royalties that the Company generally requires for each brand. This licensing strategy is designed to permit the Company to operate its licensing business, leverage its core competencies of marketing and brand management with minimal working capital and without inventory, production or distribution costs or risks and maintain high margins. The majority of the Company's licensing agreements include minimum guaranteed royalty revenue which provides the Company with greater visibility into future cash flows.

A key initiative in the Company's global brand expansion plans has been the formation of international joint ventures. The strategy in forming international joint ventures is to partner with best-in-class, local partners to bring the Company's brands to market more quickly and efficiently, generating greater short- and long-term value from its IP, than the Company believes is possible if it were to build-out wholly-owned operations ourselves across a multitude of regional or local offices. Since September 2008, the Company has established the following international joint ventures: Iconix China, Iconix Latin America, Iconix Europe, Iconix India, Iconix Canada, Iconix Australia, Iconix Southeast Asia, Iconix Israel, Iconix Middle East, Umbro China and Danskin China.

The Company also plans to continue to build and maintain its brand portfolio by acquiring additional brands directly or through joint ventures. In assessing potential acquisitions or investments, the Company primarily evaluates the strength of the target brand as well as the expected viability and sustainability of future royalty streams. The Company believes that this focused approach allows it to effectively screen a wide pool of consumer brand candidates and other asset light businesses, strategically evaluate acquisition targets and complete due diligence for potential acquisitions efficiently.

The Company's primary goal of maximizing the value of its IP also includes, in certain instances, the sale to third parties of a brand's trademark in specific territories or categories. As such, the Company evaluates potential offers to acquire some or all of a brand's IP by comparing whether the offer is more valuable than the Company's estimate of the current and potential revenue streams to be earned via the Company's traditional licensing model. Further, as part of the Company's evaluation process it also considers whether or not the buyer's future development of the brand may help to expand the brand's overall recognition and global revenue potential.

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, and, in accordance with U.S. GAAP and accounting for variable interest entities (where the Company is the primary beneficiary) and majority owned subsidiaries, the Company consolidates fifteen joint ventures (Peanuts Holdings, Hardy Way, Icon Modern Amusement, Alberta ULC, Iconix Europe, Hydraulic IP Holdings, NGX, LLC, Iconix China (100% owned as of March 2015), US PONY Holdings, Iconix Latin America (100% owned as of February 2014), Iconix Canada, Iconix Israel, Iconix Middle East, Iconix Southeast Asia, LC Partners US (100% owned as of December 2016), Umbro China and Danskin China; see Note 3 for explanation). All significant intercompany transactions and balances have been eliminated in consolidation.

In accordance with Accounting Standards Codification ("ASC") 810—Consolidation ("ASC 810"), the Company evaluates the following criteria to determine the accounting for its joint ventures: 1) consideration of whether the joint venture is a variable interest entity which includes reviewing the corporate structure of the joint venture, the voting rights, and the contributions of the Company and the joint venture partner to the joint venture, 2) if the joint venture is a VIE, whether or not the Company is the primary beneficiary, a determination based upon a variety of factors, including: i) the presence of installment payments which constitutes a de facto agency relationship between the Company and the joint venture partner, and ii) an evaluation of whether the Company or the joint venture partner is more closely associated with the joint venture. If the Company determines that the entity is a variable interest entity and the Company is the primary beneficiary, then the joint venture is consolidated. For those entities that are not considered variable interest entities, or are considered variable interest entities but the Company is not the primary beneficiary, the Company uses either the equity method or the cost method of accounting, depending on a variety of factors as set forth in ASC 323—Investments ("ASC 323"), to account for those investments and joint ventures which are not required to be consolidated under US GAAP.

Business Combinations, Joint Ventures and Investments

The purchase method of accounting requires that the total purchase price of an acquisition be allocated to the assets acquired and liabilities assumed based on their fair values on the date of the business acquisition. The results of operations from the acquired businesses are included in the accompanying consolidated statements of income from the acquisition date. Any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill.

Since January 1, 2014, the Company has acquired the following brands:

Date Acquired	Brand
March 2015	Strawberry Shortcake

Since January 1, 2014 the Company has acquired ownership interest in various brands through its investments in joint ventures. The chart below illustrates the Company's ownership interest in these joint ventures as of December 31, 2016:

Date Acquired/Invested	Brand	Investment / Joint Venture	Iconix's Investment
November 2014	Nick Graham	NGX	51%
December 2014	Hydraulic	Hydraulic IP Holdings	51%
February 2015	PONY	US PONY Holdings	75%

Further, since January 1, 2014 the Company established the following joint ventures to develop and market the Company's brands in specific markets:

Date Created	Investment / Joint Venture	Iconix's Investment
March 2014	LC Partners US(1)	100%
December 2014	Iconix Middle East(2)	55%
July 2016	Umbro China	95%
October 2016	Danskin China(3)	100%

(1) At formation of the joint venture in March 2014, the Company had a 50% ownership interest in LC Partners US. In December 2016, the Company entered into an agreement with Rise Partners, LLC ("Rise Partners") to acquire the remaining 50% ownership interest in LC Partners US. As of December 31, 2016, the Company has a 100% ownership interest in this entity.

(2) At formation of the joint venture in December 2014, the Company had a 50% ownership interest in Iconix Middle East. In December 2016, the Company irrevocably exercised its call option to acquire an additional 5% ownership interest from Global Brands Group Asia Limited ("GBG") in order to increase the Company's ownership interest in Iconix Middle East to 55%. Such acquisition closed in February 2017.

(3) In October 2016, the Company formed the Danskin China Limited as a wholly-owned indirect subsidiary to hold the Danskin trademarks and related assets in respect of mainland China and Macau. The Company entered into an agreement with Li-Ning (China) Sports Goods Co., Ltd. who will purchase up to a 50% interest (and no less than a 30% interest) in Danskin China Limited. The purchase of the equity interest is expected to occur over a three-year period commencing on March 31, 2019. Refer to Note 3 for further details. As of December 31, 2016, the Company's ownership interest in Danskin China Limited was 100%.

For further information on the Company's accounting for joint ventures and investments, see Note 3.

Use of Estimates

The preparation of the consolidated financial statements in conformity with US 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. The Company reviews all significant estimates affecting the financial statements on a recurring basis and records the effect of any adjustments when necessary.

Cash and Cash Equivalents

Cash and cash equivalents consist of actual cash as well as cash equivalents, defined as short-term, highly liquid financial instruments with insignificant interest rate risk that are readily convertible to cash and have maturities of three months or less from the date of purchase. In addition, as of December 31, 2016, approximately $68.5 million, or 21%, of our total cash (including restricted cash) was held in foreign subsidiaries. Our investments in these foreign subsidiaries are considered indefinitely reinvested and unavailable for the payment of any U.S. based expenditures, including debt obligations.

Restricted Cash

Restricted cash consists of actual cash deposits held in accounts primarily for debt service, as well as cash equivalents, defined as short-term, highly liquid financial instruments with insignificant interest rate risk that are readily convertible to cash and have maturities of three months or less from the date of purchase, the restrictions on all of which lapse every three months or less.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentration of credit risk consist principally of short-term cash investments and accounts receivable. The Company places its cash in investment-grade, short-term instruments with high quality financial institutions. The Company performs ongoing credit evaluations of its customers' financial condition and, generally, requires no collateral from its customers. The allowance for non-collection of accounts receivable is based upon the expected collectability of all accounts receivable.

One customer accounted for 13% of the Company's total revenue for the year ended December 31, 2016 ("FY 2016"), 14% of the Company's total revenue for the year ended December 31, 2015 ("FY 2015"), and 14% of the Company's total revenue for the year ended December 31, 2014 ("FY 2014").

Accounts Receivable

Accounts receivable are reported at amounts the Company expects to be collected, net of provision for doubtful accounts, based on the Company's ongoing discussions with its licensees, and its evaluation of each licensee's payment history and account aging. As of December 31, 2016 and 2015, the Company's provision for doubtful accounts was $19.4 million and $8.4 million, respectively.

One customer accounted for approximately 11% and 10% of the Company's accounts receivable, (which includes long-term accounts receivables included in other assets on the Company's consolidated balance sheets) as of December 31, 2016 and December 31, 2015, respectively.

Derivatives

The Company's objective for holding any derivative financial instruments is to manage interest rate risks, and in the case of our convertible notes, dilution risk. The Company does not use financial instruments for trading or other speculative purposes. From time to time the Company uses derivative financial instruments to hedge the variability of anticipated cash flows of a forecasted transaction (a "cash flow hedge"). The Company's strategy related to these derivative financial instruments has been to use foreign currency forward contracts to hedge a portion of anticipated future short-term license revenues to offset the effects of changes in foreign currency exchange rates (primarily between the U.S. dollar and the Japanese Yen). The Company had no such derivative instruments in FY 2016 or FY 2015. The Company also uses hedges to offset a portion of the effect of potential dilution on our convertible notes. See Note 6 for discussion on hedges related to the 1.50% Convertible Notes.

Restricted Stock

Compensation cost for restricted stock is measured using the quoted market price of the Company's common stock at the date the common stock is granted. For restricted stock where restrictions lapse with the passage of time ("time-based restricted stock"), compensation cost is recognized over the period between the issue date and the date that restrictions lapse. Time-based restricted stock is included in total common shares outstanding upon the lapse of any restrictions.

For restricted stock where restrictions are based on performance measures ("performance-based restricted stock"), restrictions lapse when those performance measures have been deemed earned. Performance-based restricted stock is included in total common shares outstanding upon the lapse of any restrictions. Performance-based restricted stock is included in total diluted shares outstanding when the performance measures have been deemed earned but not issued.

For restricted stock which is measured based on market conditions, the Company values the stock utilizing a Monte Carlo simulation factoring key assumptions such as the stock price at the beginning and end of the period, risk free interest rate, expected dividend yield when simulating total shareholder return, expected dividend yield when simulating the Company's stock price, stock price volatility and correlation coefficients. Restricted stock based on market conditions is included in total common shares outstanding upon the achievement of the performance metrics. Restricted stock based on market conditions is included in total diluted shares outstanding when the performance metrics have been deemed earned but not issued.

Stock Options

Compensation cost for stock options, in accordance with accounting for share-based payment under U.S. GAAP, is calculated using the Black-Scholes valuation model based on awards ultimately expected to vest, reduced for estimated forfeitures, and expensed on a straight-line basis over the requisite service period of the grant. Forfeitures are estimated at the time of grant based on the Company's historical forfeiture experience and will be revised in subsequent periods if actual forfeitures differ from those estimates. The Company will use alternative models if grants have characteristics that cannot be reasonably estimated using this model.

Treasury Stock

Treasury stock is recorded at acquisition cost. Gains and losses on disposition are recorded as increases or decreases to additional paid-in capital with losses in excess of previously recorded gains charged directly to retained earnings.

Deferred Financing Costs

The Company incurred costs (primarily professional fees and placement agent fees) in connection with borrowings under senior secured notes, convertible bond offerings and the senior secured term loan. These costs have been deferred and are being amortized using the effective interest method over the life of the related debt.

Property, Equipment, Depreciation and Amortization

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are determined by the straight line method over the estimated useful lives of the respective assets ranging from three to seven years. Leasehold improvements are amortized by the straight-line method over the initial term of the related lease or estimated useful life, whichever is less.

Operating Leases

Total rent payments under operating leases that include scheduled payment increases and rent holidays are amortized on a straight-line basis over the term of the lease. Landlord allowances are amortized by the straight-line method over the term of the lease as a reduction of rent expense.

Long-Lived Assets

If circumstances mandate, the Company evaluates the recoverability of its long-lived assets, other than goodwill and other indefinite life intangibles (discussed below), by comparing estimated future undiscounted cash flows with the assets' carrying value to determine whether a write-down to market value, based on discounted cash flow, is necessary.

Assumptions used in our fair value estimates are as follow: (i) discount rates; (ii) royalty rates; (iii) projected average revenue growth rates; and (iv) projected long-term growth rates. The testing also factors in economic conditions and expectations of management and may change in the future based on period-specific facts and circumstances. During FY 2016, FY 2015 and FY 2014, there were no impairments of long-lived assets other than the non-cash impairment charges for goodwill and trademarks in FY 2015 and FY 2016. See Note 2 for further details.

Goodwill and Trademarks

Goodwill represents the excess of purchase price over the fair value of net assets acquired in business combinations accounted for under the purchase method of accounting. On an annual basis and as needed, the Company tests goodwill and indefinite life trademarks for impairment through the use of discounted cash flow models. Other intangibles with determinable lives, including certain trademarks, license agreements and non-compete agreements, are evaluated for the possibility of impairment when certain indicators are present, and are otherwise amortized on a straight-line basis over the estimated useful lives of the assets (currently ranging from 1 to 15 years). Assumptions used in our fair value estimates are as follow: (i) discount rates; (ii) royalty rates; (iii) projected average revenue growth rates; and (iv) projected long-term growth rates. The testing also factors in economic conditions and expectations of management and may change in the future based on period-specific facts and circumstances. In the fourth quarter of FY 2016 and FY 2015, the Company recognized non-cash impairment charge for goodwill of $18.3 million and $35.1 million, respectively. In the fourth quarter of FY 2016 and FY 2015, the Company recognized non-cash impairment charge for trademarks of $424.9 million and $402.4 million, respectively. During FY 2014, the Company did not recognize any impairment charges for goodwill or trademarks. Refer to Note 2 for further details.

Non-controlling Interests / Redeemable Non-controlling Interests

Certain of the Company's consolidated joint ventures have put options which, if exercised by the Company's joint venture partner, would require the Company to purchase all or a portion of the joint venture partner's equity interest in the joint venture. The Company has determined that these put options are not derivatives under the guidelines prescribed in Accounting Standards Codification ("ASC") 815. As such, and in accordance with ASC 480-10-S99, as the potential exercise of the put options is outside the control of the Company, the Company has recorded the portion of the non-controlling interest's equity that may be put to the Company in mezzanine equity in the Company's consolidated balance sheets as "redeemable non-controlling interest". The initial value of the redeemable non-controlling interest represents the fair value of the put option at inception. This amount recorded at inception is accreted, over a period determined by when the put option becomes exercisable, to what the Company would be obligated to pay to the non-controlling interest holder if the put option was exercised. This accretion is recorded as a credit to redeemable non-controlling interest and a debit to retained earnings resulting in an impact to the consolidated balance sheet only. For each reporting period, the Company revisits the estimates used to determine the redemption value of the put option when it becomes exercisable and may adjust the remaining put option value and associated accretion accordingly through redeemable non-controlling interest and retained earnings, as necessary. The terms of each of the outstanding put options are included in the individual discussions of each joint venture, as applicable. For the Company's consolidated joint ventures that do not have put options, the non-controlling interest is recorded within equity on the Company's consolidated balance sheet.

The Company may enter into joint venture agreements with joint venture partners in which the Company allows the joint venture partner to pay a portion of the purchase price in cash at the time of the formation of the joint venture with the remaining cash consideration paid over a specified period of time following the closing of such transaction. The Company records the amounts due from such joint venture partners as (a) a reduction of Non-controlling Interests, net of installment payments, or (b) if installment payments result from the issuance of shares classified as mezzanine equity, as a reduction in Redeemable Non-controlling Interests, net of installment payments (i.e. mezzanine equity), as applicable, in the Company's consolidated balance sheet in accordance with ASC 505-10-45, "Classification of a Receivable from a Shareholder." The Company accretes the present value discount on these installment payments through interest income on its consolidated statements of operations.

Revenue Recognition

The Company enters into various license agreements that provide revenues based on minimum royalties and advertising/marketing fees and additional revenues based on a percentage of defined sales. Minimum royalty and advertising/marketing revenue is recognized on a straight-line basis over the term of each contract year, as defined, in each license agreement. Royalties exceeding the defined minimum amounts are recognized as income during the period corresponding to the licensee's sales. Payments received as consideration of the grant of a license are recognized ratably as revenue over the term of the license agreement and are reflected on the Company's consolidated balance sheets as deferred license revenue at the time payment is received and recognized ratably as revenue over the term of the license agreement. Similarly, advanced royalty payments are recognized ratably over the period indicated by the terms of the license and are reflected in the Company's consolidated balance sheet in deferred license revenue at the time the payment is received. Revenue is not recognized unless collectability is reasonably assured. If licensing arrangements are terminated prior to the original licensing period, we will recognize revenue for any contractual termination fees, unless such amounts are deemed non-recoverable.

Gains on sale of trademarks

From time to time, we sell a brand's territories and/or categories through joint venture transactions which is a central and ongoing part of our business. Since our goal is to maximize the value of the IP, we evaluate sale opportunities by comparing whether the offer is more valuable than the current and potential revenue stream in the Company's traditional licensing model. Further, as part of the Company's evaluation process, it will also look at whether or not the buyer's future development of the brand could help expand the brands global recognition and revenue. The Company considers, among others, the following guidance in determining the appropriate accounting for gains recognized from the initial sale of our brands/trademarks to our joint ventures: ASC 323, *Investments-Equity Method and Joint Venture* , ASC 605, *Revenue Recognition* , ASC 810, *Consolidations*, ASC 845, *Nonmonetary Transactions—Exchanges Involving Monetary Consideration* and Staff Accounting Bulletin No. 104.

Additionally, the Company determines the cost of the trademarks sold by applying the relative fair market value of the proceeds received in the transaction to the book value of the trademarks on the Company's consolidated balance sheet at the time of the transaction.

Foreign Currency

The Company's consolidated joint ventures' functional currency is U.S. dollars. The functional currencies of the Company's international subsidiaries are the local currencies of the countries in which the subsidiaries are located. Foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the consolidated balance sheet date. Results of operations and cash flows are translated using the average exchange rates throughout the period. The effect of exchange rate fluctuations on translation of assets and liabilities is included as a component of shareholders' equity in accumulated other comprehensive income (loss).

Taxes on Income

The Company uses the asset and liability approach of accounting for income taxes and provides deferred income taxes for temporary differences that will result in taxable or deductible amounts in future years based on the reporting of certain costs in different periods for financial statement and income tax purposes. Valuation allowances are recorded when uncertainty regarding their realizability exists.

Earnings (Loss) Per Share

Basic earnings (loss) per share includes no dilution and is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect, in

periods in which they have a dilutive effect, the effect of common shares issuable upon exercise of stock options and warrants and vesting of restricted stock. The difference between reported basic and diluted weighted-average common shares results from the assumption that all dilutive stock options, warrants, convertible debt and restricted stock outstanding were exercised into common stock.

We may be required to calculate basic earnings (loss) per share using the two-class method as a result of the Company's redeemable non-controlling interests. To the extent that the redemption value increases and exceeds the then-current fair value of a redeemable non-controlling interest, net (loss) income attributable to Iconix Brand Group, Inc. (used to calculate earnings (loss) per share) could be negatively impacted by that increase, subject to certain limitations. The partial or full recovery of any reductions to net (loss) attributable to Iconix Brand Group, Inc. (used to calculate earnings (loss) per share) is limited to any cumulative prior-period reductions. For FY 2016, FY 2015 and FY 2014, there was no impact to earnings (loss) per share for adjustments related to the Company's redeemable non-controlling interests.

Advertising Campaign Costs

All costs associated with production for the Company's national advertising campaigns are expensed during the periods when the activities take place. All other advertising costs such as print and online media are expensed when the advertisement occurs. Advertising expenses for FY 2016, FY 2015 and FY 2014 amounted to $31.8 million, $32.3 million, and $29.7 million, respectively.

Comprehensive Income (Loss)

Comprehensive income (loss) includes certain gains and losses that, under U.S. GAAP, are excluded from net income (loss) as such amounts are recorded directly as an adjustment to stockholders' equity. The Company's comprehensive income (loss) is primarily comprised of net income (loss), foreign currency translation and changes in fair value of available for sale securities.

New Accounting Standards

In February 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-02, "Amendments to the Consolidation Analysis", which changes the way reporting enterprises evaluate whether (a) they should consolidate limited partnerships and similar entities, (b) fees paid to a decision maker or service provider are variable interests in a VIE, and (c) variable interest in a VIE held by related parties of the reporting enterprise require the reporting enterprise to consolidate the VIE. The ASU also significantly changes how to evaluate voting rights for entities that are not similar to limited partnerships when determining when the entity is a VIE, which may affect entities for which the decision making rights are conveyed through a contractual arrangement. This ASU is effective for annual and interim periods in fiscal years, including interim periods within those years, beginning after December 15, 2015. Early adoption is allowed, including early adoption in an interim period. A reporting enterprise may apply a modified retrospective approach or full retrospective application. The Company adopted the new standard in FY 2016 which did not have a material impact to the Company's financial statements.

In September 2015, the FASB issued ASU No. 2015-16, "Simplifying the Accounting for Measurement-Period Adjustments", which relates to business combinations and requires adjustments to provisional amounts that are identified during the measurement period to be recognized in the reporting period in which the adjustment amounts are determined. This includes any effect on earnings of changes in depreciation, amortization, or other income effects as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. In addition, the amendments require an entity to disclose (either on the face of the income statement or in the notes) the nature and amount of measurement-period adjustments recognized in the current period, including separately the amounts in current-period income statement line items that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. The ASU is effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. The amendments in this ASU should be applied prospectively to measurement-period adjustments that occur after the effective date of this ASU. The Company adopted the new standard in FY 2016 and had no impact on the presentation of our financial statements during the first quarter of the year ending December 31, 2016.

In November 2015, the FASB issued ASU No. 2015-17, which eliminates the guidance in ASC Topic 740, Income Taxes, that required an entity to separate deferred tax liabilities and assets between current and noncurrent amounts in a classified balance sheet. The amendments require that all deferred tax liabilities and assets of the same tax jurisdiction or a tax filing group, as well as any related valuation allowance, be offset and presented as a single noncurrent amount in a classified balance sheet. The Company adopted ASU No. 2015-17 during the first quarter of the year ending December 31, 2016. Accordingly, at December 31, 2015, the Company had $2.4 million in deferred tax assets, which were previously classified as a current asset on our condensed consolidated balance sheet and, under the new standard, have been classified as a reduction from net non-current deferred income tax liability consistent with the current period's presentation. The ASU has been applied to the Company's financial statements retrospectively.

In April 2015, the FASB issued ASU No. 2015-03, which changes the presentation of debt issuance costs in financial statements. Under this ASU, an entity presents such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense. The Company adopted ASU No. 2015-03 during the first quarter of the year ending December 31, 2016. Accordingly, at December 31, 2015, the Company had $15.0 million in unamortized debt issuance costs, which were previously classified as other assets on our condensed consolidated balance sheet and, under the new standard, have been classified as a deduction from debt consistent with the current period's presentation. There has been no effect on the condensed consolidated statements of comprehensive income (loss) due to the adoption of the ASU. The ASU has been applied to the Company's financial statements retrospectively.

In April 2015, the FASB issued ASU No. 2015-05, "Customers' Accounting for Fees Paid in a Cloud Computing Arrangement" ("ASU 2015-05"). ASU 2015-05 will help entities evaluate the accounting for fees paid by a customer in a cloud computing arrangement by providing guidance as to whether an arrangement includes the sale or license of software. ASU 2015-05 is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. The Company adopted the new standard in FY 2016 which did not have a material impact to our financial statements.

In May 2014, FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," which is the new comprehensive revenue recognition standard that will supersede all existing revenue recognition guidance under U.S. GAAP. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to a customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In August 2015, this guidance was updated, which defers the effective date by one year and permits early adoption for annual and interim periods beginning on or after December 15, 2016. This guidance is effective for interim and annual periods beginning on or after December 15, 2017. Companies will have the option of using either a full retrospective approach or a modified approach to adopt the guidance in the ASU. We are continuing to assess the potential impact of this guidance, including the impact on those areas currently subject to industry-specific guidance such as licensing of intellectual property. As part of the Company's assessment, we are reviewing representative samples of licensing contracts to determine the impact on revenue recognition under the new guidance. Our method of adoption will in part be based on the degree of change identified in our assessment.

In January 2016, FASB issued ASU No. 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities", includes amendments on recognition, measurement, presentation, and disclosure of financial instruments. It requires an entity to (1) measure equity investments at fair value through net income, with certain exceptions; (2) present in OCI the changes in instrument-specific credit risk for financial liabilities measured using the fair value option; (3) present financial assets and financial liabilities by measurement category and form of financial asset; (4) calculate the fair value of financial instruments for disclosure purposes based on an exit price; and (5) assess a valuation allowance on deferred tax assets related to unrealized losses on available-for-sale debt securities in connection with other deferred tax assets. The ASU provides an election to subsequently measure certain nonmarketable equity investments at cost less any impairment and adjusted for certain observable price changes. The ASU also requires a qualitative impairment assessment of such equity investments and amends certain fair value disclosure requirements. The ASU is effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Certain provisions of the ASU are eligible for early adoption. The Company is continuing to evaluate the impact of adopting this guidance on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of operations. The new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company's leases are considered operating leases and are not capitalized under ASC 840. Under ASC 842, the majority of these leases will qualify for capitalization and will result in the recognition of lease assets and lease liabilities once the new standard is adopted. The Company is in the process of reviewing lease contracts to determine the impact of adopting ASU 2016-02.

In March 2016, the FASB issued ASU No. 2016-06, "Contingent Put and Call Options in Debt Instruments" which clarifies that determining whether the economic characteristics of a put or call are clearly and closely related to its debt host requires only an assessment of the four-step decision sequence outlined in FASB ASU paragraph 815-15-25-24. Additionally, entities are not required to separately assess whether the contingency itself is clearly and closely related. The ASU is effective for public business entities for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted. However, if the entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of that fiscal year. The ASU requires a modified retrospective transition approach, with a cumulative catch-up adjustment to opening retained earnings in the period of adoption. For instruments that are eligible for the fair value option, an entity has a one-time option to irrevocably elect to

measure the debt instrument affected by the ASU in its entirety at fair value with changes in fair value recognized in earnings. We are currently evaluating the impact of adopting this guidance.

In March 2016, the FASB issued ASU No. 2016-07, "Simplifying the Transition to the Equity Method of Accounting", which requires an investor to apply the equity method of accounting only from the date it qualifies for that method, i.e., the date the investor obtains significant influence over the operating and financial policies of an investee. This ASU eliminates the previous requirement to retroactively adjust the investment and record a cumulative catch up for the periods that the investment had been held, but did not qualify for the equity method of accounting. The ASU is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. This ASU should be applied prospectively upon its effective date to increases in the level of ownership interest or degree of influence that result in the application of the equity method. Early adoption is permitted. We are currently evaluating the impact of adopting this guidance.

In March 2016, the FASB issued ASU No. 2016-09, "Improvements to Employee Share-Based Payment Accounting", which introduces targeted amendments intended to simplify the accounting for stock compensation. The ASU was issued as part of the FASB's simplification initiative, and intends to improve the accounting for share-based payment transactions. The ASU changes several aspects of the accounting for share-based payment award transactions, including: (1) Accounting and Cash Flow Classifications for Excess Tax Benefits and Deficiencies, (2) Forfeitures, and (3) Tax Withholding Requirements and Cash Flow Classifications. The ASU is effective for public business entities in annual and interim periods in fiscal years beginning after December 15, 2016. Early adoption is permitted in any interim or annual period provided that the entire ASU is adopted. If any entity early adopts the ASU in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. We are currently evaluating the impact of adopting this guidance.

In August 2016, the FASB issued ASU No. 2016-15, "Classification of Certain Cash Receipts and Cash Payments", which clarifies how certain cash receipts and cash payments are presented in the statement of cash flows. The amendment addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The ASU is effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The ASU should be applied using a retrospective transition method to each period presented. We are currently evaluating the impact of adopting this guidance.

In October 2016, the FASB issued ASU No. 2016-16, "Income Taxes (Topic 740) – Intra-Entity Transfers of Assets Other Than Inventory", which was issued as part of the FASB's simplification initiative and, intends to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. Under this ASU, an entity should recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The ASU is effective for public business entities for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities as of the beginning of an annual reporting period for which financial statements (interim or annual) have not been issued or made available for issuance. The ASU should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We are currently evaluating the impact of adopting this guidance.

In October 2016, the FASB issued ASU No. 2016-17, "Consolidations (Topic 810) – Interests Held through Related Parties that are under Common Control", which amends the consolidation guidance on how a reporting entity that is the single decision marker of a VIE should treat indirect interests in the entity held through related parties that are under common control with the reporting entity when determining whether it is the primary beneficiary of that VIE. The ASU is effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. This ASU should be applied on a retrospective basis to all relevant prior periods beginning with the fiscal year in which the amendments in ASU 2015-02 were applied. We are currently evaluating the impact of adopting this guidance.

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows: Restricted Cash." The primary purpose of this ASU is to reduce the diversity in practice that exists in the classification and presentation of changes in restricted cash on the statement of cash flows. This ASU will require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted in any interim or annual period. The Company is in the process of determining the impact of the adoption of this guidance on its consolidated financial statements or notes thereto, however, it does not anticipate that the new guidance will have a significant impact on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01,"Business Combinations (Topic 805) - Clarifying the Definition of a Business", to clarify the definition of a business, which is fundamental in the determination of whether transactions should be accounted for as acquisition (or disposals) of assets or businesses. The guidance is generally expected to result in fewer transactions qualifying as business combinations. The ASU is effective for public business entities for annual periods beginning after December 15, 2017, including interim periods within those periods. This ASU should be applied prospectively on or after the effective date. Early adoption is permitted. We are currently evaluating the impact of adopting this guidance.

In February 2017, the FASB issued ASU 2017-04, "Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment", which simplifies the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test and eliminated the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment. The ASU is effective for public business entities for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. This ASU should be applied prospectively. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. We will adopt this accounting guidance in future periods.

Presentation of Prior Year Data

Certain reclassifications, which were immaterial, have been made to conform prior year data to the current presentation.

During FY 2016, the Company noted that the redeemable non-controlling interest attributable to a put option held by one of the Company's consolidated joint venture partners had not been properly eliminated during December 2015 at the time the Company purchased certain assets underlying such put option. A balance sheet reclassification adjustment of $21.3 million was recorded in the consolidated balance sheet as of December 31, 2015 to reduce redeemable non-controlling interest and increase non-controlling interest. This adjustment has also been reflected in the "purchase of minority interest in consolidated joint venture" line item within in the consolidated statement of stockholders' equity as of December 31, 2015.

2. Goodwill and Trademarks and Other Intangibles, net

Goodwill

Goodwill by reportable operating segment and in total, and changes in the carrying amounts, as of the dates indicated are as follows:

	Women's	Men's	Home	Entertainment	International	Consolidated
Net goodwill at December 31, 2014	$ 111,749	$ 37,170	$ 42,899	$ 17,654	$ 23,304	$ 232,776
Acquisitions	—	14,702	—	35,375	9,639	59,716
Foreign Currency Adjustment	—	—	—	—	(265)	(265)
Impairment	—	(32,017)	—	—	(3,115)	(35,132)
Net goodwill at December 31, 2015	$ 111,749	$ 19,855	$ 42,899	$ 53,029	$ 29,563	$ 257,095
Dispositions	—	—	(14,485)	—	—	(14,485)
Impairment	—	(18,331)	—	—	—	(18,331)
Net goodwill at December 31, 2016	$ 111,749	$ 1,524	$ 28,414	$ 53,029	$ 29,563	$ 224,279

Goodwill amounts at December 31, 2015 and December 31, 2014 have been updated to conform to the new reporting units as discussed further below.

In December 2016, the Company completed the sale of the Sharper Image brand and related assets. As a result of this transaction, the Company allocated $14.5 million of goodwill in the home segment to the sale.

In February 2015, the Company completed the acquisition of the PONY brand and related assets. In allocating the purchase price of this acquisition, $14.7 million was allocated to goodwill.

In March 2015, the Company completed the acquisition of the Strawberry Shortcake brand and related assets. In allocating the purchase price of this acquisition, $35.4 million was allocated to goodwill. Additionally, in March 2015, the Company completed the acquisition of the remaining 50% interest in the Iconix China joint venture and related assets. In allocating the purchase price of this acquisition, $9.6 million was allocated to goodwill.

See Note 3 for details of these transactions.

The Company identifies its operating segments according to how business activities are managed and evaluated. Prior to October 1, 2016, the Company had disclosed the following reportable operating segments: men's, women's, home, and entertainment. In October 2016, the Company reviewed its business activities, how they are managed and evaluated, and determined that it would reflect five distinct reportable operating segments: men's, women's, home, entertainment, and international. These operating segments represent individual reporting units for purposes of evaluating goodwill for impairment. The fair value of the reporting unit is determined using discounted cash flow analysis and estimates of sales proceeds with consideration of market participant data. As a corroborative source of information, the Company evaluates the estimated aggregate fair values of its reporting units to within a reasonable range of its market capitalization, which includes an assumed control premium (an adjustment reflecting an estimated fair value on a control basis) to verify the reasonableness of the fair value of its reporting units. The control premium is estimated based upon control premiums observed in comparable market transactions. As none of the Company's reporting units are publicly-traded, individual reporting unit fair value determinations do not directly correlate to the Company's stock price. The Company monitors changes in the share price to ensure that the market capitalization continues to exceed or is not significantly below the carrying value of our total net assets. In the event that our market capitalization is below the book value of the Company's aggregate fair value of its reporting units, we consider the length and severity of the decline and the reason for the decline when evaluating whether potential goodwill impairment exists. Additionally, if a reporting unit does not appear to be achieving the projected growth plan used in determining its fair value, we will reevaluate the reporting unit for potential goodwill impairment based on revised projections, as deemed appropriate. The annual evaluation of goodwill is performed as of October 1, the beginning of the Company's fourth fiscal quarter. Utilizing the Income Approach, the Company performed a two-step goodwill impairment test and an intangible asset impairment test using a discounted cash flow analysis to evaluate whether the carrying value of each of its segments exceeded its fair value.

For FY 2016, based upon the results of step 1, the Company noted that the carrying value of the men's segment exceeded its fair value after first reflecting the impairment to trademarks. In accordance with step 2 of the goodwill impairment test, the Company recorded a non-cash impairment charge of $18.3 million in the fourth quarter of FY 2016 in its men's segment. The fair value of each of the other segments of the Company exceeded their respective book value and accordingly, no goodwill impairment was recognized for these segments during the fourth quarter of fiscal 2016.

For FY 2015, based upon the results of step 1, and after taking into consideration the Company's new operating segments identified during the fourth quarter of FY 2016, the Company noted that the carrying value of the men's and international segment exceeded its fair value after first reflecting the impairment to trademarks. In accordance with step 2 of the goodwill impairment test and based on the Company's evaluation of the results of the goodwill impairment test, the Company recorded a non-cash impairment charge of $35.1 million in the fourth quarter of FY 2015 in its men's and international segment primarily due to the decline in net sales as noted above and to a lesser extent changes to certain inputs and assumptions in the valuation model. The fair value of the goodwill in the other segments of the Company exceeded the book value of the goodwill and accordingly, no goodwill impairment was recognized for these segments during the fourth quarter of fiscal 2015.

Trademarks and Other Intangibles, net

Trademarks and other intangibles, net consist of the following:

		December 31, 2016		December 31, 2015	
	Estimated Lives in Years	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Indefinite-lived trademarks and copyrights	Indefinite	$ 1,207,131	$ —	$ 1,691,411	$ —
Definite-lived trademarks	10-15	8,958	8,870	14,626	12,082
Non-compete agreements	2-15	940	920	940	686
Licensing contracts	1-9	4,819	3,815	4,844	2,529
		$ 1,221,848	$ 13,605	$ 1,711,821	$ 15,297
Trademarks and other intangibles, net			$ 1,208,243		$ 1,696,524

The trademarks of Candie's, Bongo, Joe Boxer, Rampage, Mudd, London Fog, Mossimo, Ocean Pacific, Danskin, Rocawear, Cannon, Royal Velvet, Fieldcrest, Charisma, Starter, Waverly, Ecko, Zoo York, Peanuts, Ed Hardy, Umbro, Modern Amusement, Buffalo, Lee Cooper, Hydraulic, Nick Graham, Strawberry Shortcake and Pony have been determined to have an indefinite useful life and accordingly, consistent with ASC Topic 350, no amortization has been recorded in the Company's consolidated statements of operations. Instead, each of these intangible assets are tested for impairment annually and as needed on an individual basis as separate single units of accounting, with any related impairment charge recorded to the statement of operations at the time of determining such impairment. The annual evaluation of the Company's indefinite-lived trademarks is performed as of October 1, the beginning of the Company's fourth fiscal quarter.

The Company recorded impairment charges for indefinite-lived intangible assets consisting of trademarks in the fourth quarter of fiscal 2016. In connection with the preparation of the Company's financial statements for the fourth quarter of fiscal 2016, the Company concluded that the primary drivers of the impairment charges were a revision to the Company's operating segments and weakness in each of our men's and home segments.

The Company recorded impairment charges for indefinite-lived intangible assets consisting of trademarks in the fourth quarter of fiscal 2015. In connection with the preparation of the Company's financial statements for the fourth quarter of fiscal 2015, which after taking consideration of the new operating segments identified in the fourth quarter of FY 2016, the Company concluded that the decline in net sales of certain brands within the Men's segment, Home segment and International segment as well as a decline in future guaranteed minimum royalties from license agreements for these brands were indicators of impairment.

The Company measured its indefinite-lived intangible assets for impairment in accordance with ASC-802-10-55-3D which states, "The income approach converts future amounts (for example cash flows) in income and expenses in a single current (that is, discounted) amount. When the income approach is used, fair value measurement reflects current market expectations about those future amounts. The Income Approach is based on the present value of future earnings expected to be generated by a business or asset. Income projections for a future period are discounted at a rate commensurate with the degree of risk associated with future proceeds. A residual or terminal value is also added to the present value of the income to quantify the value of the business beyond the projection period."

In the fourth quarter of FY 2016, the Company recorded a total non-cash asset impairment charge of $424.9 million which is comprised of $144.6 million in the men's segment, $31.5 million in the women's segment, $50.0 million in the home segment, $5.1 million in the entertainment segment and $193.7 million in the international segment to reduce various trademarks in those segments to fair value.

In the fourth quarter of FY 2015, and after taking in to consideration the new operating segments identified in the fourth quarter of FY 2016, the Company recorded a total non-cash asset impairment charge of $402.4 million which is comprised of $327.8 million in the men's segment, $37.8 million in the home segment, $34.6 million in the international segment, and $2.2 million in the women's segment to reduce various trademarks in those segments to fair value.

Changes in estimates and assumptions used to determine whether impairment exists or changes in actual results compared to expected results could result in additional impairment charges in future periods.

There was no impairment of the indefinite-lived trademarks during FY 2014. Further, as it relates to the Company's definite-lived trademarks, and consistent with ASC Topic 360, there was no impairment of the definite-lived trademarks during FY 2016, FY 2015, and FY 2014.

Other amortizable intangibles primarily include non-compete agreements and contracts and are amortized on a straight-line basis over their estimated useful lives of 1 to 15 years. Certain trademarks are amortized using estimated useful lives of 10 to 15 years with no residual values.

In December 2016, the Company sold the rights to the Sharper Image intellectual property and related assets. As a result of this transaction, the Company's indefinite-lived trademarks decreased by $55.6 million. Refer to Note 4 for further details.

In June 2016, the Company sold the rights to the London Fog intellectual property in the South Korea territory. As a result of this transaction, the Company's indefinite-lived trademarks decreased by $0.4 million. Refer to Note 4 for further details.

In February 2016, the Company sold its rights to the Badgley Mischka intellectual property and related assets. At the time of this transaction, the definite-lived trademarks for Badgley Mischka were fully amortized in the Company's consolidated balance sheet. Refer to Note 4 for further details.

In March 2015, the Company acquired the 50% interest in Iconix China held by its joint venture partner, thereby increasing its ownership interest in Iconix China to 100%. As a result of this transaction, Iconix China is now consolidated with the Company, which increased the Company's indefinite-lived trademarks by $40.5 million. See Note 3 for further details on this transaction.

In March 2015, the Company acquired the Strawberry Shortcake brand. As a result of this transaction the Company's indefinite-lived trademarks and licensing contracts increased by an aggregate $56.2 million. See Note 3 for further details on this transaction.

In February 2015, the Company acquired through its wholly-owned subsidiary, US Pony Holdings, LLC, the rights to the Pony brand in respect of the United States, Canada and Mexico. Immediately following such acquisition, a third party contributed specified assets to US Pony Holdings, LLC in exchange for a 25% non-controlling interest in the entity. As a result of these transactions, US Pony Holdings, LLC is consolidated with the Company, which increased the Company's indefinite-lived trademarks and licensing contracts by $32.6 million. See Note 3 for further details on this transaction.

Amortization expense for intangible assets for FY 2016, FY 2015 and FY 2014 was $1.7 million, $3.1 million and $4.5 million, respectively. The Company projects amortization expenses to be $0.8 million, $0.3 million, $0.1 million, $0.0 million and $0.0 million for FY 2017, FY 2018, FY 2019, FY 2020 and FY 2021, respectively.

3. Consolidated Entities, Joint Ventures and Investments

Consolidated Entities

The following entities and joint ventures are consolidated with the Company:

Iconix China

In September 2008, the Company and Novel Fashions Brands Limited ("Novel") formed a joint venture ("Iconix China") to develop and market the Company's brands in the People's Republic of China, Hong Kong, Macau and Taiwan (the "China Territory"). Pursuant to the terms of this transaction, the Company contributed to Iconix China substantially all rights to its brands in the China Territory and committed to contribute $5.0 million, and Novel committed to contribute $20 million, to Iconix China. Upon closing of the transaction, the Company contributed $2.0 million and Novel contributed $8.0 million. In September 2009, the parties amended the terms of the transaction to eliminate the obligation of the Company to make any additional contributions and to reduce Novel's remaining contribution commitment to $9.0 million, $4.0 million of which was contributed in July 2010, $3.0 million of which was contributed in May 2011, and $2.0 million of which was contributed in June 2012.

In March 2015, the Company purchased from Novel its 50% interest in Iconix China for $57.4 million (the "2015 Buy-out"), of which $40.4 million was paid in cash, $15.7 million was paid in the Company's common stock, and $1.3 million was an amount due the Company from Iconix China that was offset against the Company's accounts receivable, thereby taking 100% of the equity interest in Iconix China. The following is a reconciliation of consideration paid to Novel:

Cash paid to Novel	$	40,400
Shares issued to Novel		15,703
Offset of accounts receivable		1,269
Fair value of 50% interest in Iconix China	$	57,372

As a result of the 2015 Buy-out, Iconix China is subject to consolidation and is included in the Company's consolidated financial statements as of March 2015.

The estimated fair value of the assets acquired, less liabilities assumed, is allocated as follows:

Fair value of 50% interest in Iconix China	$	57,372
Book value of Company equity investment prior to 2015 Buy-out		7,382
Gain on re-measurement of initial equity investment		49,990
	$	114,744
Trademarks		40,501
Investments in private companies		38,870
Cash		20,184
Other assets		5,997
Accrued expenses		(447)
Goodwill		9,639
	$	114,744

Other assets consist primarily of securities of a company publicly traded on the Hong Kong Stock Exchange. These assets are being accounted for as available-for-sale securities. As such, any increase or decrease in fair value is recorded with accumulated other comprehensive income and is not included on the Company's consolidated statement of operations.

The Iconix China trademarks have been determined by management to have an indefinite useful life and accordingly no amortization is being recorded in the Company's consolidated statement of operations. The goodwill and trademarks are subject to a test for impairment on an annual basis. The $9.6 million of goodwill resulting from the 2015 Buy-out is deductible for income tax purposes.

For FY 2015, post-acquisition, the Company recognized approximately $0.6 million, in revenue from such assets. In addition, the Company's selling, general and administrative expenses increased by $1.0 million for FY 2015, and equity earnings on joint ventures increased by $2.3 million for FY 2015 as a result of consolidating Iconix China on the Company's consolidated statement of operations.

As part of this transaction, the Company also acquired, through its ownership of 100% of Iconix China, equity interests in the following private companies with an aggregate fair value of approximately $38.9 million: Candies Shanghai Fashion Co. Ltd. (which can be put by Iconix China to Shanghai La Chappelle Fashion Co., Ltd. for cash based on a pre-determined formula); Mark Ecko China Ltd.; Ningbo Material Girl Fashion Co., Ltd.; Tangli International Holdings Ltd. (subsequently sold in April 2016 – see Note 4 for further detail); and Ecko Industry (Shanghai) Co., Ltd. See section entitled "Investments in Iconix China" for further detail on such investments.

Strawberry Shortcake

In March 2015, the Company completed its acquisition from American Greetings Corporation and its wholly-owned subsidiary, Those Characters From Cleveland, Inc. (collectively, "AG" or the "Seller"), of all of AG's intellectual property rights and licenses and certain other assets relating to the Strawberry Shortcake brand pursuant to an asset purchase agreement entered into in February 2015.

In accordance with the terms of the asset purchase agreement, the Company paid the Seller $105.0 million in cash at closing of which $95.0 million was treated as consideration for the acquisition and the remaining $10.0 million was the issuance of a note due from AG.

The cash paid to the Seller and the estimated fair value of the assets acquired, is allocated as follows:

Cash paid to AG by the Company	$	95,000
Trademarks	$	55,761
License agreements		467
Accounts receivable		3,397
Goodwill		35,375
	$	95,000

The note receivable represents amounts due from AG in respect of non-compete payments pursuant to a license agreement entered into with AG simultaneously with the closing of the transaction. The note is in the principal amount of $10.0 million and is paid in equal quarterly installments over a two year period.

For FY 2015, post-acquisition, the Company recognized approximately $7.9 million in revenue from such assets. The $35.4 million of goodwill resulting from the 2015 acquisition is deductible for income tax purposes.

PONY

In February 2015, the Company, through its then newly-formed subsidiary, US Pony Holdings, LLC, ("Pony Holdings") acquired the North American rights to the PONY brand. These rights include the rights in the US obtained from Pony, Inc. and Pony International, LLC (collectively, "US Pony Seller"), and the rights in Mexico and Canada obtained from Super Jumbo Holdings Limited ("Non-US Pony Seller" and, together with US Pony Seller, the "Pony Sellers"). The purchase price paid by the Company was $37.0 million. Pony Holdings is owned 75% by the Company and 25% by its partner Anthony L&S Athletics, LLC ("ALS"). ALS contributed to Pony Holdings its perpetual license agreement in respect of the U.S. and Canadian territories for a 25% interest in Pony Holdings.

The following table is a reconciliation of cash paid to Pony Sellers and the fair value of ALS's non-controlling interest:

Cash paid to Pony Sellers	$	37,000
Fair value of 25% non-controlling interest of ALS		12,333
Fair value of Pony	$	49,333

The estimated fair value of the assets acquired is allocated as follows:

Trademarks	$	32,381
License agreements		250
Accounts receivable		2,000
Goodwill		14,702
Fair value of Pony	$	49,333

Accounting Standards Codification ("ASC") 810 - "Consolidations" ("ASC 810") affirms that consolidation is appropriate when one entity has a controlling financial interest in another entity. The Company owns a 75% membership interest in Pony Holdings compared to the minority owner's 25% membership interest. Further, the Company believes that the voting and veto rights of the minority shareholder are merely protective in nature and do not provide them with substantive participating rights in Pony Holdings. As such, Pony Holdings is subject to consolidation with the Company, which is reflected in the consolidated financial statements.

For FY 2015, post-acquisition, the Company recognized approximately $2.0 million in revenue from Pony Holdings. The $14.7 million of goodwill resulting from the 2015 acquisition is deductible for income tax purposes.

Iconix Middle East Joint Venture

In December 2014, the Company formed Iconix MENA ("Iconix Middle East") a wholly owned subsidiary of the Company and contributed to it substantially all rights to its wholly-owned and controlled brands in the United Arab Emirates, Qatar, Kuwait, Bahrain, Saudi Arabia, Oman, Jordan, Egypt, Pakistan, Uganda, Yemen, Iraq, Azerbaijan, Kyrgyzstan, Uzbekistan, Lebanon, Tunisia, Libya, Algeria, Morocco, Cameroon, Gabon, Mauritania, Ivory Coast, Nigeria and Senegal (the "Middle East Territory"). Shortly thereafter, Global Brands Group Asia Limited ("GBG"), purchased a 50% interest in Iconix Middle East for approximately $18.8 million. GBG paid $6.3 million in cash upon the closing of the transaction and committed to pay an additional $12.5 million over the 24-month period following closing. As of December 31, 2016, this obligation was paid in full. As of December 31, 2016, the redeemable non-controlling interest of Iconix MENA was $19.5 million which was recorded on the Company's consolidated balance sheet as mezzanine equity.

Pursuant to the joint venture agreement entered into in connection with the formation of Iconix Middle East, each of GBG and the Company holds specified put and call rights, respectively, relating to GBG's ownership interest in the joint venture.

Company Two-Year Call Option: At any time during the six month period commencing December 19, 2016, the Company had the right to call up to 5% of the total equity in Iconix Middle East from GBG for an amount in cash equal to $1.8 million.

Five-Year and Eight-Year Put/Call Options: At any time during the six month period commencing December 19, 2019, and again at any time during the six month period commencing December 19, 2022, GBG may deliver a put notice to the Company, and the Company may deliver a call notice to GBG, in each case, for the Company's purchase of all equity in the joint venture held by GBG. In the event of the exercise of such put or call rights, the purchase price for GBG's equity in Iconix Middle East is an amount equal to (x) the Agreed Value (in the event of GBG put) or (y) 120% of Agreed Value (in the event of an Iconix call). The purchase price is payable in cash.

Agreed Value—Five-Year Put/Call: (i) Percentage of Iconix Middle East owned by GBG, multiplied by (ii) 5.5, multiplied by (iii) aggregate royalty generated by Iconix Middle East for the year ending December 31, 2019; provided, however, that such Agreed Value cannot be less than $12.0 million

Agreed Value—Eight-Year Put/Call: (i) Percentage of Iconix Middle East owned by GBG, multiplied by (b) 5.5, multiplied by (iii) aggregate royalty generated by Iconix Middle East for the year ending December 31, 2022; provided, however, that the Agreed Value cannot be less than $12.0 million.

The Company serves as Iconix Middle East's administrative manager, responsible for arranging for or providing back-offices services, including legal maintenance of trademarks (e.g. renewal of trademark registrations) for the brands in respect of Iconix Middle East Territory. Further Iconix Middle East has access to general brand marketing materials prepared and owned by the Company to refit for use by the joint venture in marketing brands in the Middle East Territory. GBG serves as Iconix Middle East's local manager, responsible for providing market experience in respect of the applicable territory, managing the joint venture on a day-to-day basis (other than back-office services), identifying potential licensees and assisting the Company in enforcement of license agreements in respect of the applicable territory. The Company receives a monthly fee in connection with the performance of its services as administrative manager in an amount equal to 5% of Iconix Middle East's gross revenue collected in the prior month (other than in respect of the Umbro and Lee Cooper brands). GBG receives a monthly fee in connection with the performance of its services as local manager in an amount equal to 15% of Iconix Middle East's gross revenue collected in the prior month (other than in respect of the Umbro and Lee Cooper brands). In addition, following the closing of GBG's purchase of 50% of Iconix Middle East, GBG received from the Company $3.1 million for expenses related to its diligence and market analysis in the Iconix Middle East Territory, which reduced the cash received by the Company in relation to this transaction as of December 31, 2014.

In December 2016, the Company irrevocably exercised its call right to acquire an additional 5% equity interest in Iconix Middle East from GBG for total cash consideration of $1.8 million. After taking into effect this transaction and as of December 31, 2016, the Company's ownership interest in Iconix Middle East effectively increased to 55%. Such acquisition closed in February 2017. In addition to the increase in ownership interest, the joint venture agreement gives the Company the sole discretion and power to direct the activities of the Iconix Middle East joint venture that most significantly impact the joint venture's economic performance. As a result of this transaction, the Company continues to consolidate this joint venture in its consolidated financial statements in accordance with ASC 810.

The Company determined, in accordance with ASC 810, based on the corporate structure, voting rights and contributions of the Company and GBG, that Iconix Middle East is a variable interest entity (VIE) and, as the Company has been determined to be the primary beneficiary, is subject to consolidation. The Company has consolidated this joint venture within its consolidated financial statements since inception. The liabilities of the VIE are not material and none of the VIE assets are encumbered by any obligation of the VIE or other entity.

LC Partners U.S.

In March 2014, the Company formed LC Partners US, LLC ("LCP"), a wholly-owned subsidiary of the Company, and contributed to it substantially all its rights to the Lee Cooper brand in the US through an agreement with LCP. Shortly thereafter, Rise Partners, LLC ("Rise Partners"), purchased a 50% interest in LCP for $4.0 million, of which $0.8 million in cash was received during FY 2014, with the remaining $3.2 million to be paid in four equal annual installments on the first through the fourth anniversaries of the closing date. As of December 31, 2016, this obligation was fully satisfied as part of the Company's purchase of the remaining 50% interest in LCP from Rise Partners as discussed below.

In December 2016, the Company entered into an agreement with Rise Partners whereby the Company purchased the remaining 50% interest of LCP for a total consideration of $3.3 million. As a condition to the closing of the transaction, Rise Partners delivered an irrevocable payment instruction to pay $2.0 million to Red Diamond to satisfy Rise Partners' remaining purchase price installment payment balance. After taking in to effect this transaction and as of December 31, 2016, the Company maintains 100% ownership interest in LCP.

Iconix Israel Joint Venture

In November 2013, the Company formed Iconix Israel. LLC ("Iconix Israel"), a wholly-owned subsidiary of the Company, and contributed substantially all rights to its wholly-owned and controlled brands in the State of Israel and the geographical regions of the West Bank and the Gaza Strip (together, the "Israel Territory") through an agreement with Iconix Israel. Shortly thereafter, M.G.S. Sports Trading Limited ("MGS") purchased a 50% interest in Iconix Israel for approximately $3.3 million. MGS paid $1.0 million in cash upon the closing of the transaction and committed to pay an additional $2.3 million over the 36-month period following closing. As of December 31, 2016, the $0.2 million remaining due to the Company from MGS is netted against the non-controlling interest on the consolidated balance sheet.

Pursuant to the operating agreement entered into in connection with the formation of Iconix Israel, the Company holds a call right, exercisable at any time during the six month period following November 14, 2015, on 5% of the total outstanding shares in Iconix Israel held by MGS. The purchase price payable in connection with the Company's exercise of its call option is an amount equal to (i) .05, multiplied by (ii) 6.5, multiplied by (iii) gross cash or property received by Iconix Israel from all sources.

In December 2016, the Company amended the Iconix Israel joint venture agreement to obtain the sole discretion and power to direct the activities of the Iconix Israel joint venture that most significantly impact its economic performance which requires the Company to continue to consolidate this joint venture in its consolidated financial statements in accordance with ASC 810.

The Company serves as Iconix Israel's administrative manager, responsible for arranging for or providing back-offices services, including legal maintenance of trademarks (e.g. renewal of trademark registrations) for the brands in respect of the Israel Territory. Further, Iconix Israel has access to general brand marketing materials, prepared and owned by the Company to refit for use by the joint venture in the Israel Territory. MGS serves as Iconix Israel's local manager, responsible for providing market experience in respect of the applicable territory, managing the joint venture on a day-to-day basis (other than back-office services), identifying potential licensees and assisting the Company in enforcement of license agreements in respect of the applicable territory. Each of the Company and MGS is reimbursed for all out-of-pocket costs incurred in performing its respective services.

The Company determined, in accordance with ASC 810, based on the corporate structure, voting rights and contributions of the Company and MGS, that Iconix Israel is a VIE and, as the Company has been determined to be the primary beneficiary, is subject to consolidation. The Company has consolidated this joint venture within its consolidated financial statements since inception. The liabilities of the VIE are not material and none of the VIE assets are encumbered by any obligation of the VIE or other entity.

Iconix Southeast Asia Joint Venture

In October 2013, the Company formed Iconix SE Asia Limited ("Iconix SE Asia"), a wholly owned subsidiary of the Company, and contributed substantially all rights to its wholly-owned and controlled brands in Indonesia, Thailand, Malaysia, Philippines, Singapore, Vietnam, Cambodia, Laos, Brunei, Myanmar, and East Timor (the "South East Asia Territory"). Shortly thereafter, GBG (f/k/a Li + Fung Asia Limited) purchased a 50% interest in Iconix SE Asia for approximately $12.0 million. GBG paid $7.5 million in cash upon the closing of the transaction and committed to pay an additional $4.5 million over the 24-month period following closing.

In June 2014, the Company contributed substantially all rights to its wholly-owned and controlled brands in the Republic of Korea, and its Ecko, Zoo York, Ed Hardy and Sharper Image Brands in the European Union, and Turkey, in each case, to Iconix SE Asia. In return, GBG agreed to pay the Company $15.9 million, of which $4.0 million was paid in cash at closing. The Company guaranteed minimum distributions of $2.5 million in the aggregate through FY 2015 to GBG from the exploitation in the European Union and Turkey of the brands contributed to Iconix SE Asia as part of this transaction. As a result of this transaction, the Company incurred $5.4 million of marketing costs which were accounted for as a reduction to the cash received. In September 2014, the Company's subsidiaries contributed substantially all rights to their Lee Cooper and Umbro brands in the People's Republic of China, Hong Kong, Macau and Taiwan (together, the "Greater China Territory"), to Iconix SE Asia. In return, GBG agreed to pay the Company $21.5 million, of which $4.3 million was paid at closing. The Company guaranteed minimum distributions of $5.1 million in the aggregate through FY 2017 to GBG from the exploitation in the Greater China Territory of the brands contributed to Iconix SE Asia as part of this transaction. In December 2015, the Company purchased GBG's effective 50% interest in such brands as described below.

As of December 31, 2016, $3.9 million, net of discount for present value, remaining due to the Company from GBG for the above transactions is netted against the redeemable non-controlling interest on the consolidated balance sheet. As of December 31, 2016, the redeemable non-controlling interest of Iconix SE Asia was $22.9 million, net of the $3.9 million due from GBG which was recorded on the Company's consolidated balance sheet as mezzanine equity.

Pursuant to the operating agreement entered into in connection with the formation of Iconix SE Asia, as amended, each of GBG and the Company holds specified put and call rights, respectively, relating to GBG's ownership interest in the joint venture.

Company Two-Year Call Option: At any time during the six month period which commenced October 1, 2015, the Company has the right to call up to 5% of the total equity in Iconix SE Asia from GBG for an amount in cash equal to (x) .10, multiplied by (y) 1.15, multiplied by (z) $38.4 million.

Five-Year and Eight-Year Put/Call Options on South East Asia Territory Rights, Europe/Turkey Rights and Korea Rights: At any time during the six month period commencing October 1, 2018, and again at any time during the six month period commencing October 1, 2021, GBG may deliver a put notice to the Company, and the Company may deliver a call notice to GBG, in each case, for the Company's purchase of the Europe/Turkey Rights, South East Asia Territory Rights and/or Korea Rights. In the event of the exercise of such put or call rights, the purchase price for such rights is an amount equal to (x) the Agreed Value (in event of a GBG put) or (y) 120% of Agreed Value (in event of a Company call). The purchase price is payable in cash.

Agreed Value—Five-Year Put/Call: (i) Percentage of Iconix SE Asia owned by GBG, multiplied by (ii) 5.5, multiplied by (iii) the greater of the aggregate royalty generated by Iconix SE Asia in respect of the Europe/Turkey Rights, South East Asia

Territory Rights and/or Korea Rights (as applicable) for the year ending December 31, 2015 and the year ending December 31, 2018; provided, that the Agreed Value attributable to the Europe/Turkey Rights shall not be less than $7.6 million, plus (iv) in the case of a Full Exercise (i.e., and exercise of all of the Europe/Turkey Rights, South East Asia Territory Rights and Korea Rights), the amount of cash in Iconix SE Asia at such time.

Agreed Value—Eight-Year Put/Call: (i) Percentage of Iconix SE Asia owned by GBG, multiplied by (ii) 5.5, multiplied by (iii) the greater of the aggregate royalty generated by Iconix SE Asia in respect of the Europe/Turkey Rights, South East Asia Territory Rights and/or Korea Rights (as applicable) for the year ending December 31, 2018 and the year ending December 31, 2021; provided, that the Agreed Value attributable to the Europe/Turkey Rights shall not be less than $7.6 million, plus (iv) in the case of a Full Exercise (i.e., and exercise of all of the Europe/Turkey Rights, South East Asia Territory Rights and Korea Rights), the amount of cash in Iconix SE Asia at such time.

The Company serves as Iconix SE Asia's administrative manager, responsible for arranging for or providing back-office services including legal maintenance of trademarks (e.g. renewal of trademark registrations) for the brands in respect of the territories included in Iconix SE Asia. Further, Iconix SE Asia has access to general brand marketing materials, prepared and owned by the Company, to refit for use by the joint venture in territories included in Iconix SE Asia. GBG serves as Iconix SE Asia's local manager, responsible for providing market experience in respect of the applicable territory, managing the joint venture on a day-to-day basis (other than back-office services), identifying potential licensees and assisting the Company in enforcement of license agreements in respect of the applicable territory. The Company receives a monthly fee in connection with the performance of its services as administrative manager in an amount equal to 5% of Iconix SE Asia's gross revenue collected in prior month. GBG receives a monthly fee in connection with the performance of its services as local manager in an amount equal to 15% of Iconix SE Asia's gross revenue collected in prior month. In October 2013, and in respect of services that commenced in August 2013 and expired on December 31, 2013, the Company executed a Consultancy Agreement with LF Centennial Limited, an affiliate of Li and Fung Asia Limited, for the provision of brand strategy services in Asia to assist the Company in developing its brands. Pursuant to the Consultancy Agreement, the Company paid LF Centennial Limited four installments of $0.5 million for the provision of such services. The aggregate $2.0 million of consulting costs paid to GBG were a reduction to the cash received in relation to this transaction for the year ended December 31, 2013.

The Company determined, in accordance with ASC 810, based on the corporate structure, voting rights and contributions of the Company and GBG, that Iconix SE Asia is a VIE and, as the Company has been determined to be the primary beneficiary, is subject to consolidation. The Company has consolidated this joint venture within its consolidated financial statements since inception as well as at the closing of each of the June 2014 and September 2014 transactions. The liabilities of the VIE are not material and none of the VIE assets are encumbered by any obligation of the VIE or other entity.

In December 2015, the Company purchased GBG's effective 50% interest in the Umbro and Lee Cooper trademarks in Greater China for $24.7 million. The Company, through its wholly-owned subsidiaries, will pay consideration of $24.7 million to GBG which represents GBG's 50% ownership interest in these trademarks. Immediately prior to the consummation of this transaction, the Company, and its wholly owned subsidiaries, had a receivable from GBG of $9.4 million, which represented the balance still owed by GBG from the original September 2014 transaction. It was agreed upon by both parties that this balance would be set off against the consideration to be paid by the Company. At closing, the Company paid $3.5 million in cash to GBG and recorded amounts owed to GBG of approximately $5.2 million and $5.4 million paid to GBG, net of discounts, in accounts payable and other accrued expenses and other long term liabilities, respectively, on the consolidated balance sheet. As of December 31, 2016, a total of $5.4 million, net of discount for present value, remaining due to GBG for the above transaction is recorded in accounts payable and other accrued expenses and other long term liabilities for $1.7 million and $3.7 million, respectively, on the consolidated balance sheet. The excess of the purchase price over the non-controlling interest balance was $2.2 million which was recorded to additional paid-in-capital.

Iconix Canada Joint Venture

In June 2013, the Company formed Iconix Canada L.P. ("Ico Canada") and Ico Brands L.P. ("Ico Brands" and, together with Ico Canada, collectively, "Iconix Canada"), as wholly-owned indirect subsidiaries of the Company, and contributed substantially all rights to its wholly-owned and controlled brands in Canada (the "Canada Territory") through agreements with the Iconix Canada partnerships. Shortly thereafter through their acquisitions of limited partnership and general partnership interests, Buffalo International ULC and BIU Sub Inc. purchased 50% interests in the Iconix Canada partnerships for $17.8 million in the aggregate, of which approximately $8.9 million in the aggregate, was paid in cash upon closing of these transactions in June 2013, and the remaining $8.9 million of which are notes payable to the Company to be paid, as amended, over the five year period following the date of closing, with final payment in June 2018.

Pursuant to agreements entered into in connection with the formation of Ico Canada and Ico Brands, the Company holds specified call options relating to Buffalo International's and BIU Sub's ownership interests in the joint ventures.

Ico Canada Call Option: At any time between the second and third anniversary of June 28, 2013 the Company has the right to call a number of units held by Buffalo International equal to 5% of all units issued and outstanding for an amount in cash equal to the greater of (i) $1.5 million and (ii) 5% of the amount obtained by applying a multiple of 5.5 to the highest of (a) the minimum royalties in respect of the Ico Canada marks for the previous 12 months, (b) the actual royalties in respect of the Ico Canada marks for the previous 12 months, (c) the projected minimum royalties in respect of the Ico Canada marks for the subsequent fiscal period and (d) the average projected minimum royalties in respect of the Ico Canada marks for the subsequent three fiscal periods.

Ico Brands Call Option: At any time between the second and third anniversary of June 28, 2013, the Company has the right to call a number of units held by BIU Sub equal to 5% of all units issued and outstanding for an amount in cash equal to the greater of (i) $0.6 million and (ii) 5% of the amount obtained by applying a multiple of 5.5 to the highest of (a) the minimum royalties in respect of the Ico Brands marks for the previous 12 months, (b) the actual royalties in respect of the Ico Brands marks for the previous 12 months, (c) the projected minimum royalties in respect of the Ico Brands marks for the subsequent fiscal period and (d) the average projected minimum royalties in respect of the Ico Brands marks the subsequent three fiscal periods.

If the total payments to Ico Canada in respect of the Umbro marks for the four-year period following June 28, 2013 are less than $2.7 million, the Company has an obligation to pay Buffalo International an amount equal to the shortfall.

As a result of the Company's prior contribution of the intellectual property and related assets relating to certain of its brands in respect of the Canadian territory (the "Encumbered Canadian Assets") to the Company's securitization, Ico Canada was granted the right to receive an amount equal to the royalty streams from the Encumbered Canadian Assets. Ico Brands has an option to purchase the Encumbered Canadian Assets for one dollar within one year following the earlier of (i) January 15, 2020 and (ii) the later of (a) the release of such assets from the Company's securitization and (b) Ico Brands receipt of notice of such release. If the Company does not deliver such assets to Ico Brands following the exercise of such option, the Company has an obligation to pay liquidated damages to Ico Brands in an amount equal to approximately $4.9 million.

In the case of Ico Brands, BIU Sub serves as the creative shareholder, and is responsible for: (i) approving or disapproving of the creative aspects relating to trademarks and related goods and services offered by licensees; and (ii) approving or disapproving of all other creative aspects of the design, development, manufacture and sale of products bearing the Ico Brands' marks.

As of December 31, 2016, $5.8 million, net of discount for present value, remaining due to the Company from Buffalo International for the above transactions is netted against the non-controlling interest on the consolidated balance sheet.

The Company determined, in accordance with ASC 810, based on the corporate structure, voting rights and contributions of the Company and Buffalo International and BIU Sub, that Ico Canada and Ico Brands are VIEs and, as the Company has been determined to be the primary beneficiary, are subject to consolidation. The Company has consolidated this joint venture within its consolidated financial statements since inception. The liabilities of the VIEs are not material and none of the VIE assets are encumbered by any obligation of the VIE or other entity.

Iconix Latin America

In December 2008, the Company contributed substantially all rights to its brands in Mexico, Central America, South America, and the Caribbean (the "Latin America Territory") to Iconix Latin America LLC ("Iconix Latin America"), a then newly formed subsidiary of the Company. On December 29, 2008, New Brands America LLC ("New Brands"), an affiliate of the Falic Group, purchased a 50% interest in Iconix Latin America. In consideration for its 50% interest in Iconix Latin America, New Brands agreed to pay $6.0 million to the Company. New Brands paid $1.0 million upon closing of this transaction and committed to pay an additional $5.0 million over the 30-month period following closing. As of December 31, 2011 this obligation was paid in full.

During FY 2011, the Company contributed to Iconix Latin America its share of the rights to revenues from IPH Unltd (see below) for the exploitation of the Ecko brands in the Latin America Territory. Also in FY 2011, the Company contributed to Iconix Latin America its rights to the Ed Hardy brands for the Latin America Territory. During FY 2012, the Company contributed to Iconix Latin America the rights to the Zoo York and Sharper Image brands for the Latin America Territory.

Prior to the 2014 Buy-out (defined below), based on the corporate structure, voting rights and contributions of the Company and New Brands, Iconix Latin America was not subject to consolidation. This conclusion was based on the Company's determination that the entity met the criteria to be considered a "business", and therefore was not subject to consolidation due to the "business scope exception" of ASC Topic 810. As such, prior to the 2014 Buy-out, the Company had recorded its investment under the equity method of accounting.

In February 2014, the Company purchased from New Brands its 50% interest in Iconix Latin America for $42.0 million (the "2014 Buy-out"), which was funded entirely from cash on hand, thereby taking full ownership of 100% of the equity interests in Iconix Latin America.

The following is a reconciliation of cash paid to New Brands:

Fair value of 50% interest in Iconix Latin America	$	42,698
Less: note receivable owed to the Company		(1,695)
Add: accrued distributions due to New Brands		997
Cash paid to New Brands	$	42,000

As a result of the 2014 Buy-out and in accordance with ASC Topic 805, the Company recorded a non-cash pre-tax re-measurement gain of approximately $34.7 million, representing the increase in fair value of its original 50% investment in Iconix Latin America. This re-measurement gain is included in other income on the Company's consolidated statement of operations in FY 2014. Further, as a result of the 2014 Buy-out, the balance owed to the Company from New Brands was settled. As a result of the 2014 Buy-out, Iconix Latin America is subject to consolidation and is included in the Company's consolidated financial statements since the time of the buy-out.

The estimated fair value of the assets acquired, less liabilities assumed, is allocated as follows:

Fair value of 50% interest in Iconix Latin America	$	42,698
Value of initial equity investment prior to 2014 Buy-out		7,950
Gain on re-measurement of initial equity investment		34,748
	$	85,396
Trademarks		82,400
License agreements		700
Cash		1,842
Working capital deficit		(676)
Goodwill		1,130
	$	85,396

The Iconix Latin America trademarks have been determined by management to have an indefinite useful life and accordingly, consistent with ASC Topic 350, no amortization is being recorded in the Company's consolidated statement of operations. The goodwill and trademarks are subject to a test for impairment on an annual basis. The $1.1 million of goodwill resulting from the 2014 Buy-out is deductible for income tax purposes.

Iconix Europe

In December 2009, the Company contributed substantially all rights to its brands in the European Territory (defined as all member states and candidate states of the European Union and certain other European countries) to Iconix Europe LLC, a then newly formed wholly-owned subsidiary of the Company ("Iconix Europe"). Also in December 2009 and shortly after the formation of Iconix Europe, an investment group led by The Licensing Company and Albion Equity Partners LLC purchased a 50% interest in Iconix Europe through Brand Investments Vehicles Group 3 Limited ("BIV"), to assist the Company in developing, exploiting, marketing and licensing the Company's brands in the European Territory. In consideration for its 50% interest in Iconix Europe, BIV agreed to pay $4.0 million, of which $3.0 million was paid upon closing of this transaction in December 2009 and the remaining $1.0 million of which was paid in January 2011.

At inception and prior to the January 2014 transaction described below, the Company determined, in accordance with ASC 810, based on the corporate structure, voting rights and contributions of the Company and BIV, that Iconix Europe is not a VIE and was not subject to consolidation. The Company had recorded its investment under the equity method of accounting.

In January 2014, the Company consented to the purchase of BIV's 50% ownership interest in Iconix Europe by GBG. In exchange for this consent, the Company received $1.5 million from GBG. As a result of this transaction, the Company recorded revenue of $1.5 million, which is included in licensing revenue in the Company's consolidated statement of operations for FY 2014. In addition, the Company acquired an additional 1% equity interest in Iconix Europe from GBG, and amended the operating agreement (herein referred to as the "IE Operating Agreement") thereby increasing its ownership in Iconix Europe to a controlling

51% interest and reducing its preferred profit distribution from Iconix Europe to $3.0 million after which all profits and losses are recognized 51/49 in accordance with each principal's membership interest percentage.

The estimated fair value of the assets acquired, less liabilities assumed, is allocated as follows:

Fair value of 50% interest in Iconix Europe	$	13,800
Value of initial equity investment prior to 2014 Buy-out		19,651
Loss on re-measurement of initial equity investment		(5,851)
	$	27,600
Trademarks		27,000
Cash		677
Working capital deficit, excluding cash		(77)
	$	27,600

ASC Topic 810 affirms that consolidation is appropriate when one entity has a controlling financial interest in another entity. As a result of this transaction, the Company owns a 51% membership interest in Iconix Europe compared to the minority owner's 49% membership interest. Further, the Company believes that the voting and veto rights of the minority shareholder are merely protective in nature and do not provide the minority shareholder with substantive participating rights in Iconix Europe. As such, Iconix Europe is subject to consolidation with the Company, which is reflected in the consolidated financial statements as of December 31, 2016.

Pursuant to the IE Operating Agreement, for a period following the fifth anniversary of the January 2014 transaction and again following the eighth anniversary of the January 2014 transaction, the Company has a call option to purchase, and GBG has a put option to initiate the Company's purchase of GBG's 49% equity interests in Iconix Europe for a calculated amount as described below.

Five-Year and Eight-Year Put/Call Options: At any time during the six month period commencing January 13, 2019, and again at any time during the six month period commencing January 13, 2022, GBG may deliver a put notice to the Company, and the Company may deliver a call notice to GBG, in each case, for the Company's purchase of all equity in the joint venture held by GBG. In the event of the exercise of such put or call rights, the purchase price for GBG's equity in Iconix Europe is an amount equal to (x) the Agreed Value (in the event of GBG's put) or (y) 120% of Agreed Value (in the event of an Iconix call). The purchase price is payable in cash.

Agreed Value-Five-Year Put/Call: (i) (x) percentage of Iconix Europe owned by GBG, multiplied by (y) 5.5, multiplied by (z) the greater of aggregate royalty generated by Iconix Europe for the year ended December 31, 2013 and the year ended December 31, 2018; plus (ii) percentage of Iconix Europe owned by GBG multiplied by the aggregate amount of cash in Iconix Europe which is available for distribution to the members.

Agreed Value-Eight-Year Put/Call: (i) (x) percentage of Iconix Europe owned by GBG, multiplied by (y) 5.5, multiplied by (z) the greater of aggregate royalty generated by Iconix Europe for the year ended December 31, 2013 and the year ended December 31, 2021; plus (ii) percentage of Iconix Europe owned by GBG multiplied by the aggregate amount of cash in Iconix Europe which is available for distribution to the members.

As a result of the January 2014 transaction, the Company records this redeemable non-controlling interest as mezzanine equity on the Company's consolidated balance sheet. The Company is accreting the difference between the redemption value of the put option and the non-controlling interest at inception over the five-year term of the first put option to retained earnings on the Company's balance sheet. As of December 31, 2016, the redeemable non-controlling interest for Iconix Europe was $14.3 million which was recorded on the Company's consolidated balance sheet as mezzanine equity.

Hydraulic IP Holdings, LLC

In December 2014, the Company formed a joint venture with Top On International Group Limited ("Top On"). The name of the joint venture is Hydraulic IP Holdings, LLC ("Hydraulic IPH"), a Delaware limited liability company. The Company paid $6.0 million, which was funded entirely from cash on hand, in exchange for a 51% controlling ownership of Hydraulic IPH. Top On owns the remaining 49% interest in Hydraulic IPH. Hydraulic IPH owns the IP rights, licenses and other assets relating principally to the Hydraulic brand. Concurrently, Hydraulic IPH and iBrands International, LLC ("iBrands") entered into a license agreement pursuant to which Hydraulic IPH licensed the Hydraulic brand to iBrands as licensee in certain categories and geographies. Additionally, the Company and Top On entered into a limited liability company agreement with respect to their ownership of Hydraulic IPH.

The Company determined, in accordance with ASC 810, based on the corporate structure, voting rights and contributions of the Company and Top On, Hydraulic IPH is a VIE and, as the Company has been determined to be the primary beneficiary, is subject to consolidation. The Company has consolidated this joint venture within its consolidated financial statements since inception. The liabilities of the VIE are not material and none of the VIE assets are encumbered by any obligation of the VIE or other entity.

NGX, LLC

In October 2014, the Company formed a joint venture with NGO, LLC ("NGO"). The name of the joint venture is NGX, LLC ("NGX"), a Delaware limited liability company. The Company paid $6.0 million, which was funded entirely from cash on hand; in exchange for a 51% controlling ownership of NGX. NGO owns the remaining 49% interest in NGX. NGX owns the IP rights, licenses and other assets relating principally to the Nick Graham brand. Concurrently, NGX and NGL, LLC ("NGL") entered into a license agreement pursuant to which NGX licensed the Nick Graham brand to NGL as licensee in certain categories and geographies. Additionally, the Company and NGO entered into a limited liability company operating agreement with respect to their ownership of NGX.

The Company determined, in accordance with ASC 810, based on the corporate structure, voting rights and contributions of the Company and NGO, NGX is a VIE and, as the Company has been determined to be the primary beneficiary, is subject to consolidation. The Company has consolidated this joint venture within its consolidated financial statements since inception. The liabilities of the VIE are not material and none of the VIE assets are encumbered by any obligation of the VIE or other entity.

Buffalo Brand Joint Venture

In February 2013, Iconix CA Holdings, LLC ("ICA Holdings"), a Delaware limited liability company and a wholly-owned subsidiary of the Company, formed a joint venture with Buffalo International ULC ("BII"). The name of the joint venture is 1724982 Alberta ULC ("Alberta ULC"), an Alberta, Canada unlimited liability company. The Company, through ICA Holdings, paid $76.5 million, which was funded entirely from cash on hand, in exchange for a 51% controlling ownership of Alberta ULC which consists of a combination of equity and a promissory note. BII owns the remaining 49% interest in Alberta ULC. Alberta ULC owns the IP rights, licenses and other assets relating principally to the Buffalo David Bitton brand (the "Buffalo brand"). Concurrently, Alberta ULC and BII entered into a license agreement pursuant to which Alberta ULC licensed the Buffalo brand to BII as licensee in certain categories and geographies. Additionally, ICA Holdings and BII entered into a shareholder agreement with respect to their ownership of Alberta ULC.

The Buffalo brand trademarks have been determined by management to have an indefinite useful life and accordingly, consistent with ASC Topic 350, no amortization is being recorded in the Company's consolidated statement of operations. The goodwill and trademarks are subject to a test for impairment on an annual basis. Of the total consideration paid, $36.9 million (which is net of a discount) has been classified as a note receivable as the fair value of the transaction and the related guaranteed minimum royalties, which the Company will receive through FY 2016 under the BII license agreement could not be established at the acquisition date. As of December 31, 2016, $2.5 million remaining due to the Company from BII for the above transactions is recorded in other assets – current on the consolidated balance sheet. The $7.1 million of goodwill resulting from this acquisition is deductible for income tax purposes.

The Company has consolidated this joint venture within its consolidated financial statements since inception.

Icon Modern Amusement

In December 2012, the Company entered into an interest purchase and management agreement with Dirty Bird Productions, Inc., a California corporation, in which the Company effectively purchased a 51% controlling interest in the Modern Amusement trademarks and related assets for $5.0 million, which was funded entirely from cash on hand. To acquire its 51% controlling interest in the trademark, the Company formed a new joint venture company, Icon Modern Amusement LLC ("Icon MA"), a Delaware limited liability company.

Peanuts Holdings

On June 3, 2010 (the "Peanuts Closing Date"), the Company consummated an interest purchase agreement with United Feature Syndicate, Inc. ("UFS") and The E.W. Scripps Company (the "Parent") (Parent and UFS, collectively, the "Sellers"), pursuant to which it purchased all of the issued and outstanding interests ("Interests") of Peanuts Worldwide, a then newly formed Delaware limited liability company, to which, prior to the closing of this acquisition, copyrights and trademarks associated with the Peanuts characters and certain other assets were contributed by UFS. On the Peanuts Closing Date, the Company assigned its right to buy all of

the Interests to Peanuts Holdings, a newly formed Delaware limited liability company and joint venture owned 80% by Icon Entertainment LLC ("IE"), a wholly-owned subsidiary of the Company, and 20% by Beagle Scouts LLC, a Delaware limited liability company ("Beagle") owned by certain Schulz family trusts.

Further, on the Closing Date, IE and Beagle entered into an operating agreement with respect to Peanuts Holdings (the "Peanuts Operating Agreement"). Pursuant to the Peanuts Operating Agreement, the Company, through IE, and Beagle made capital contributions of $141.0 million and $34.0 million, respectively, in connection with the acquisition of Peanuts Worldwide. The Interests were then purchased for $172.1 million in cash, as adjusted for acquired working capital.

In connection with the Peanuts Operating Agreement, the Company through IE, loaned $17.5 million to Beagle (the "Beagle Note"), the proceeds of which were used to fund Beagle's capital contribution to Peanuts Holdings in connection with the acquisition of Peanuts Worldwide. The Beagle Note bore interest at 6% per annum, with minimum principal payable in equal annual installments of approximately $2.2 million on each anniversary of June 3, 2010, with any remaining unpaid principal balance and accrued interest to be due on June 3, 2015, the Beagle Note maturity date. Principal was prepayable at any time. The Beagle Note was secured by the membership interest in Peanuts Holdings owned by Beagle. In February 2015, the remaining amount due on the Beagle Note was paid in full.

Hardy Way

In May 2009, the Company acquired a 50% interest in Hardy Way, the owner of the Ed Hardy brands and trademarks, for $17.0 million, comprised of $9.0 million in cash and 588,688 shares of the Company's common stock valued at $8.0 million as of the closing. In addition, the sellers of the 50% interest received an additional $1.0 million in shares of the Company's common stock pursuant to an earn-out based on royalties received by Hardy Way for 2009.

On April 26, 2011, Hardy Way acquired substantially all of the licensing rights to the Ed Hardy brands and trademarks from its licensee, Nervous Tattoo, Inc. ("NT") pursuant to an asset purchase agreement by and among Hardy Way, NT and Audigier Brand Management Group, LLC ("ABMG," and together with NT, the "Sellers"). Immediately prior to the closing of the transactions contemplated by the asset purchase agreement, the Company contributed $62.0 million to Hardy Way, thereby increasing the Company's ownership interests in Hardy Way from 50% to 85% of the outstanding membership interests.

Scion

Scion is a brand management and licensing company formed by the Company with Shawn "Jay-Z" Carter in March 2007 to buy, create and develop brands across a spectrum of consumer product categories. On November 7, 2007, Scion, through its wholly-owned subsidiary Artful Holdings LLC, purchased Artful Dodger, an urban apparel brand for a purchase price of $15.0 million.

In March 2009, the Company, through its investment in Scion, effectively acquired a 16.6% interest in one of its licensees, Roc Apparel Group LLC ("RAG"), whose principal owner is Shawn "Jay-Z" Carter, for nominal consideration. The Company had determined that this entity is a VIE as defined by ASC 810. However, the Company was not the primary beneficiary of this entity. The investment in this entity was accounted for under the cost method of accounting. Subsequent to March 2009, this investment in RAG was assigned from Scion to the Company. From March 2009 through January 2014, the Company and its partner contributed approximately $11.8 million to Scion, which was deposited as cash collateral under the terms of RAG's financing agreements. In June 2010, $3.3 million was released from collateral and distributed to the Scion members equally. In July 2014, the lender under such financing arrangement made a cash collateral call, reducing the Company's restricted cash by $8.5 million. In FY 2014, the Company recorded a $2.7 million charge to reduce this receivable to $5.8 million. RAG caused such amount to be repaid pursuant to a binding term sheet dated April 2015, which resulted in a final agreement on July 6, 2015, between the Company and the managing member of RAG. In addition, on July 6, 2015, in accordance with the terms of such final agreement, the Company sold its 16.6% interest in RAG to an affiliate of Shawn "Jay-Z" Carter for nominal consideration.

In May 2012, Scion, through a newly formed subsidiary, Scion BBC LLC, purchased a 50% interest in BBC Ice Cream LLC, owner of the Billionaire Boys Club and Ice Cream brands for approximately $3.5 million.

Additionally, the Company entered into a binding term sheet in April 2015, which resulted in a final agreement on July 6, 2015, with an affiliate of Shawn "Jay-Z" Carter in which the Company purchased the remaining 50% interest in Scion for $6.0 million. The Company has consolidated Scion since inception, however, this transaction effectively increased the Company's ownership to 100%, as well as effectively increasing its interest in BBC Ice Cream LLC to 50% and Artful Holdings LLC to 100%. In accordance with ASC 810, the Company increased additional paid-in capital by $0.8 million to reflect its 100% ownership in Scion. As a result of this transaction, the Company wrote down the value of its receivable due from Mr. Carter by approximately $3.8 million, which is included in selling, general and administrative expenses in the Company's statement of operations in the fourth quarter of FY 2015.

In January 2016, the Company sold its interest in the BBC and Ice Cream brands for $3.5 million.

Umbro China

In July 2016, the Company executed an agreement with MH Umbro International Co. Limited (MHMC) to sell up to an aggregate 50% interest in a newly registered company in Hong Kong which holds the Umbro intellectual property in respect of the Greater China territory for total cash consideration of $25.0 million. The acquisition of such equity is expected to occur over a four-year period. As stipulated in the agreement, on each anniversary subsequent to the close of the transaction, MHMC will pay a portion of the total cash consideration to the Company in return for a percentage of the total potential 50% equity interest. In July 2016, the Company received $2.5 million in cash from MHMC for a 5% interest in Umbro China. In accordance with ASC 810, the Company has recorded noncontrolling interest of $1.8 million for the sale of 5% interest in Umbro China to MHMC and the corresponding gain associated with the sale of this interest is recorded in additional paid in capital on the Company's consolidated balance sheet as of December 31, 2016.

Pursuant to the Shareholder Agreement entered into in connection with the formation of Umbro China, each of MHMC and the Company holds specified call rights to purchase its partners' ownership interest in the joint venture as described below.

If at any time after June 2036, both Iconix and MHMC hold shares in Umbro China, either shareholder (Initiating Shareholder) may provide written notice (Call Option Notice) to the other shareholder of its election to purchase all shares held by such shareholder at the date of the Call Option Notice and at a price per share as stated in the Call Option Notice.

Within ten (10) business days after receipt of a Call Option Notice, the other shareholder may provide written notice (Purchase Option Notice) to the Initiating Shareholder of its election to purchase all shares held by the Initiating Shareholder at the price per share set forth in the Call Option Notice, at which point the Call Option Notice shall become null and ineffective as if it was not issued or served.

Danskin China

In October 2016, the Company entered into an agreement with Li-Ning (China) Sports Goods Co., Ltd. ("LiNing") to sell up to a 50% interest (and no less than a 30% interest) in its wholly-owned indirect subsidiary, Danskin China Limited ("Danskin China"), a new Hong Kong registered company, which holds the Danskin trademarks and related assets in respect of mainland China and Macau. LiNing's purchase of the equity interest in Danskin China is expected to occur over a three-year period commencing on March 31, 2019 (the "First Closing") for cash consideration of $5.4 million. The aggregate cash consideration paid by Li Ning for its ownership of Danskin China may, based on the percentage interest in Danskin China that Li Ning elects to purchase on each anniversary of the First Closing, increase to up to $8.6 million.

Equity Method Investments

The following joint ventures are recorded using the equity method of accounting:

Iconix Australia Joint Venture

In September 2013, the Company formed Iconix Australia, LLC ("Iconix Australia"), a Delaware limited liability company and a wholly-owned subsidiary of the Company, and contributed substantially all rights to its wholly-owned and controlled brands in Australia and New Zealand (the "Australia territory") through an agreement with Iconix Australia. Shortly thereafter Pac Brands USA, Inc. ("Pac Brands") purchased a 50% interest in Iconix Australia for $7.2 million in cash, all of which was received upon closing of this transaction in September 2013. As a result of this transaction, the Company recorded a gain of $4.1 million in FY 2013 for the difference between the cash consideration received by the Company and the book value of the brands contributed to the joint venture.

Pursuant to the operating agreement entered into in connection with the formation of Iconix Australia, as amended, each of Pac Brands and the Company holds specified put and call rights, respectively, relating to Pac Brands' ownership interest in the joint venture.

Company Two-Year Call Option: At any time during the six month period commencing September 17, 2015, the Company has the right to call up to 5% of Pac Brands' total equity in Iconix Australia for an amount in cash equal to (i) the number of units called by the Company divided by the total number of units outstanding, multiplied by (ii) 6.5, multiplied by (iii) RR, where RR is equal to:

$$\frac{A + (A \times (100\% + GR))}{2}$$

A = trailing 12 months royalty revenue
GR = Year on year growth rate

Four-Year Put/Call Option: At any time following September 17, 2017, Pac Brands may deliver a put notice to the Company, and the Company may deliver a call notice to Pac Brands, in each case, for the Company's purchase of all units in the joint venture held by Pac Brands. Upon the exercise of such put/call, the purchase price for Pac Brands' units in the joint venture will be an amount equal to (i) the percentage interest represented by Pac Brands' units, multiplied by (ii) 5, multiplied by (iii) RR, where RR is equal to:

$$\frac{A + (A \times (100\% + CAGR))}{2}$$

A = trailing 12 months royalty revenue
CAGR = 36 month compound annual growth rate

The Company serves as Iconix Australia's administrative manager, responsible for arranging for or providing back-office services including legal maintenance of trademarks (e.g. renewal of trademark registrations) for the brands in respect of the Australia Territory. Further, Iconix Australia has access to general brand marketing materials, prepared and owned by the Company, to refit for use by the joint venture in marketing the brands in the Australia Territory. Anchorage George Street Party Limited, an affiliate of Pac Brands ("Anchorage") serves as Iconix Australia's local manager, responsible for providing market experience in respect of the applicable territory, managing the joint venture on a day-to-day basis (other than back-office services), identifying potential licensees and assisting the Company in enforcement of license agreements in respect of the applicable territory. Each of the Company and Anchorage is reimbursed for all out-of-pocket costs incurred in performing its respective services.

The Company determined, in accordance with ASC 810, based on the corporate structure, voting rights and contributions of the Company and Pac Brands, that Iconix Australia is not a VIE and not subject to consolidation. The Company has recorded its investment under the equity method of accounting since inception.

Iconix India Joint Venture

In June 2012, the Company formed Imaginative Brand Developers Private Limited ("Iconix India), a wholly-owned subsidiary of the Company, and contributed substantially all rights to its wholly-owned and controlled brands in India through an agreement with Iconix India. Shortly thereafter Reliance Brands Limited ("Reliance"), an affiliate of the Reliance Group, purchased a 50% interest in Iconix India for $6.0 million of which approximately $2.0 million was paid in cash upon the closing of this transaction and the remaining $4.0 million of which is a note, to be paid over a 48- month period following closing. As a result of this transaction, the Company recognized a gain of approximately $2.3 million in FY 2013 for the difference between the consideration (cash and notes receivable) received by the Company and the book value of the brands contributed to the joint venture. Additionally, pursuant to the terms of the transaction, the Company and Reliance each agreed to contribute 100 million Indian rupees (approximately $2.0 million) to Iconix India only upon the future mutual agreement of the parties, of which 25 million Indian rupees (approximately $0.5 million) was contributed at closing.

As of December 31, 2016, approximately $1.0 million, net of discount for present value, remaining due to the Company from Reliance is included in other assets – current on the consolidated balance sheet.

The Company determined, in accordance with ASC 810, based on the corporate structure, voting rights and contributions of the Company and Reliance, that Iconix India is not a VIE and not subject to consolidation. The Company has recorded its investment under the equity method of accounting since inception.

MG Icon

In March 2010, the Company acquired a 50% interest in MG Icon, the owner of the Material Girl and Truth or Dare brands and trademarks and other rights associated with the artist, performer and celebrity known as "Madonna", from Purim LLC ("Purim") for $20.0 million, $4.0 million of which was paid at closing. In connection with the launch of Truth or Dare brand and based on certain

qualitative criteria, Purim is entitled to an additional $3.0 million. As of December 31, 2016, the total cash consideration has been fully paid.

At inception, the Company determined, in accordance with ASC 810, based on the corporate structure, voting rights and contributions of the Company and Purim, MG Icon is a VIE and not subject to consolidation, as the Company is not the primary beneficiary of MG Icon. The Company has recorded its investment under the equity method of accounting.

Pursuant to the terms of the MG Icon operating agreement and subject to certain conditions, the Company is entitled to recognize a preferred profit distribution from MG Icon of at least $23.0 million, after which all profits and losses are recognized 50/50 in accordance with each principal's membership interest percentage. As of December 31, 2016, the Company recognized $21.7 million in distributions from its interest in MG Icon.

Galore Media, Inc.

In April 2016, the Company entered into agreements with Galore Media, Inc. ("Galore"), a marketing company formed in FY 2015 and still in a development stage. Under the agreements, the Company purchased 50,050 shares of Series A Preferred Stock of Galore for $0.5 million and entered into arrangements pursuant to which the Company agreed to purchase up to an aggregate $0.5 million of marketing services from Galore in FY 2016. In connection with the marketing services arrangement, the Company received warrants that, as the Company purchased specified levels of marketing services, became excerisable for additional shares of Galore's Series A Preferred Stock at a nominal exercise price. Upon closing of the investment on April 21, 2016, the Company exercised the initial warrant which resulted in the Company receiving an additional 46,067 shares of Series A Preferred Stock of Galore. The Series A Preferred Stock carries voting rights, and the holders of the Series A Preferred Stock have the collective right to appoint one of five members of the Board of Directors of Galore as long as there are at least 48,000 Series A Preferred Shares outstanding. Given these arrangements, the Company has an investment of approximately 11% of the equity of Galore.

Investments in Iconix China

Through our ownership of Iconix China (see above), we have equity interests in the following private companies which are accounted for as equity method investments:

Brands Placed	Entity	Ownership by Iconix China	Carrying Value of Investment As of December 31, 2016
Candie's	Candies Shanghai Fashion Co., Ltd.	20%	$ 10,651
Marc Ecko	Shanghai MuXiang Apparel & Accesory Co. Limited	15%	2,270
Royal Velvet	Bai Shi Kou International (Qingdao) Home Products Co. Ltd.	20%	383
Material Girl	Ningbo Material Girl Fashion Co., Ltd.	20%	2,691
Ecko Unltd	Ai Xi Enterprise (Shanghai) Co. Limited	20%	10,841
			$ 26,836

Cost Method Investments

The following investments are carried at cost:

Marcy Media Holdings, LLC

In July 2013, the Company purchased a minority interest in Marcy Media Holdings, LLC ("MM Holdings"), resulting in the Company's indirect ownership of a 5% interest in Roc Nation, LLC for $32 million. At inception, the Company determined, in accordance with ASC 810, based on the corporate structure, voting rights and contributions of the Company that MM Holdings is not a VIE and not subject to consolidation. As the Company does not have significant influence over MM Holdings, its investment has been recorded under the cost method of accounting.

Complex Media Inc.

In September 2013, the Company purchased convertible preferred shares, on an as-converted basis as of December 31, 2014, equaling an approximate 14.4% minority interest in Complex Media Inc. ("Complex Media"), a multi-media lifestyle company which, among other things, owns Complex magazine and its online counterpart, Complex.com, for $25 million. At inception, the Company determined, in accordance with ASC 810, based on the corporate structure, voting rights and contributions of the Company that Complex Media is not a VIE and not subject to consolidation. As the Company does not have significant influence over Complex Media, its investment has been recorded under the cost method of accounting. In September 2015, Hearst Communications, Inc. acquired a minority stake in Complex Media effectively reducing the Company's ownership interest to 11.8%.

In July 2016, the Company received $35.3 million in connection with the sale of its interest in Complex Media. An additional $3.7 million is being held in escrow to satisfy specified indemnification claims, with a portion of such escrow expected to be released twelve months following the closing of the transaction and the remainder expected to be released eighteen months following the closing of the transaction, subject to any such claims, at which time, the Company will record the gain within its consolidated statement of operations. For FY 2016, the Company recognized a gain of $10.2 million as a result of this transaction which has been recorded in Other Income on the Company's consolidated statement of operations.

Acquisition Expenses

During FY 2016, FY 2015 and FY 2014, pretax charges aggregating approximately $0.6 million, $1.0 million and $0.7 million, respectively, were recorded for legal expenses and other transaction costs related to the acquisitions described above, as well as unconsummated transactions under consideration during each year.

These charges, which were expensed in accordance with the accounting guidance for business combinations, are included in selling, general and administrative expenses in the Company's consolidated statement of operations.

4. Gains on Sale of Trademarks, net

The following table details transactions comprising gains on sales of trademarks, net in the consolidated statement of operations:

	December 31, 2016	December 31, 2015	December 31, 2014
Sharper Image-Ecommerce/Domain Name(1)	$ —	$ —	$ 6,399
Interest in BBC and Ice Cream brands(2)	(593)	—	—
Badgley Mischka intellectual property and related assets(3)	11,812	—	—
Interest in Ed Hardy China trademarks (through ownership interest in TangLi International Ltd.)(4)	(1,950)	—	—
London Fog Korea trademark(5)	575	—	—
Interest in Badgley Mischka China trademark(6)	147	—	—
Sharper Image intellectual property and related assets(7)	28,113	—	—
Total gains on sales of trademarks	$ 38,104	$ —	$ 6,399

(1) In June 2014, the Company sold the exclusive right to the "sharperimage.com" domain name and Sharper Image trademark in connection with the operation of a branded website and catalog distribution in specified jurisdictions. The Company recognized a gain of $6.4 million as a result of this transaction.

(2) In January 2016, the Company sold its interest in the BBC and Ice Cream brands for $3.5 million in cash. The Company recognized a loss of $0.6 million as a result of this transaction.

(3) In February 2016, the Company sold its rights to the Badgley Mischka intellectual property and related assets to Titan Industries, Inc. in partnership with the founders, Mark Badgley and James Mischka, and the apparel license MJCLK LLC for $13.8 million in cash. The Company recognized a gain of $11.6 million as a result of this transaction. The $11.6 million gain represented the sale of the Badgley Mischka intellectual property and related assets within the United States, Greater China, Israel and Latin America territories. The Badgley Mischka intellectual property and related assets within other foreign territories is owned by certain of the Company's joint venture entities and required the Company to negotiate and finalize the sale of the intellectual property with its respective joint venture partners. As a result, in June 2016, the Company recognized an additional gain of approximately $0.2 million upon receipt of cash associated with the sale of the Badgley Mischka intellectual property and related assets which was previously owned by the Iconix Australia joint venture resulting in an aggregate gain on sale of the brand of $11.8 million.

(4) In April 2016, the Company sold its interest in TangLi International, Ltd. (Ed Hardy China) for $11.4 million in cash. The Company recognized a loss of $1.9 million as a result of this transaction.

(5) In June 2016, the Company sold its rights to the London Fog intellectual property in the South Korea territory to NS International Limited for 1.1 billion Korean Won (approximately $1.0 million) in cash. The Company recognized a gain of approximately $0.6 million as a result of this transaction.

(6) In September 2016, the Company sold its interest in certain Badgley Mischka trademarks for shoes and handbags in respect of the Greater China territory for $1.2 million in cash. The Company recognized a gain of $0.1 million as a result of this transaction.

(7) In December 2016, the Company sold the rights to the Sharper Image intellectual property and related assets to 360 Holdings, Inc. for $100.0 million in cash (of which $1.8 million is being held in escrow for the sale of the Sharper Image intellectual property in the Company's international joint ventures). The Company recognized a gain of $28.1 million as a result of this transaction.

5. Fair Value Measurements

ASC Topic 820 "Fair Value Measurements", which the Company adopted on January 1, 2008, establishes a framework for measuring fair value and requires expanded disclosures about fair value measurement. While ASC 820 does not require any new fair value measurements in its application to other accounting pronouncements, it does emphasize that a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, ASC 820 established the following fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs):

Level 1: Observable inputs such as quoted prices for identical assets or liabilities in active markets

Level 2: Other inputs that are observable directly or indirectly, such as quoted prices for similar assets or liabilities or market-corroborated inputs

Level 3: Unobservable inputs for which there is little or no market data and which requires the owner of the assets or liabilities to develop its own assumptions about how market participants would price these assets or liabilities

The valuation techniques that may be used to measure fair value are as follows:

(A) Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities

(B) Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts, including present value techniques, option-pricing models and excess earnings method

(C) Cost approach—Based on the amount that would currently be required to replace the service capacity of an asset (replacement cost)

To determine the fair value of certain financial instruments, the Company relies on Level 2 inputs generated by market transactions of similar instruments where available, and Level 3 inputs using an income approach when Level 1 and Level 2 inputs are not available. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of financial assets and financial liabilities and their placement within the fair value hierarchy.

Hedge Instruments

From time to time, the Company will purchase hedge instruments to mitigate statement of operations risk and cash flow risk of revenue and receivables. As of December 31, 2016, the Company had no other hedge instruments other than 1.50% Convertible Note Hedges (see Note 6).

Financial Instruments

As of December 31, 2016 and December 31, 2015, the fair values of cash, receivables and accounts payable approximated their carrying values due to the short-term nature of these instruments. The fair value of notes receivable and note payable from and to our joint venture partners approximate their carrying values. The fair value of our cost method investments is not readily determinable and it is not practical to obtain the information needed to determine the value. However, there has been no indication of an impairment of these cost method investments as of December 31, 2016 and December 31, 2015. The estimated fair values of other financial

instruments subject to fair value disclosures, determined based on Level One inputs including broker quotes or quoted market prices or rates for the same or similar instruments and the related carrying amounts are as follows:

	December 31, 2016		December 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including current portion(1)	$ 1,254,160	$ 1,228,324	$ 1,449,392	$ 1,240,244

(1) Carrying amounts include aggregate unamortized debt discount and debt issuance costs.

Additionally, the fair value of the available-for-sale securities acquired as part of the FY 2015 purchase of our joint venture partners' interest in Iconix China (refer to Note 3 for further details) were $1.9 million and $3.9 million as of December 31, 2016 and December 31, 2015, respectively, with the decrease in fair value of $2.0 million and $0.7 million recorded in accumulated other comprehensive income on the Company's consolidated balance sheet as of December 31, 2016 and December 31, 2015, respectively.

Financial instruments expose the Company to counterparty credit risk for nonperformance and to market risk for changes in interest. The Company manages exposure to counterparty credit risk through specific minimum credit standards, diversification of counterparties and procedures to monitor the amount of credit exposure. The Company's financial instrument counterparties are investment or commercial banks with significant experience with such instruments as well as certain of our joint venture partners – see Note 3.

Non-Financial Assets and Liabilities

The Company accounts for non-recurring adjustments to the fair values of its non-financial assets and liabilities under ASC 820 using a market participant approach. The Company uses a discounted cash flow model with Level 3 inputs to measure the fair value of its non-financial assets and liabilities. The Company also adopted the provisions of ASC 820 as it relates to purchase accounting for its acquisitions. The Company has goodwill, which is tested for impairment at least annually, as required by ASC 350- "Intangibles- Goodwill and Other", ("ASC 350"). Further, in accordance with ASC 350, the Company's indefinite-lived trademarks are tested for impairment at least annually, on an individual basis as separate single units of accounting. Similarly, consistent with ASC 360- "Property, Plant and Equipment" ("ASC 360"), as it relates to accounting for the impairment or disposal of long-lived assets, the Company assesses whether or not there is impairment of the Company's definite-lived trademarks. The Company recorded impairment charges on certain indefinite-lived and definited-lived assets during Q4 2016 and Q4 2015. Refer to Note 2 for further information. There was no impairment, and therefore no write-down, of any of the Company's long-lived assets during FY 2014.

6. Debt Arrangements

The Company's net carrying amount of debt is comprised of the following:

	December 31, 2016	December 31, 2015
Senior Secured Notes	$ 651,784	$ 712,907
1.50% Convertible Notes(1)	277,518	357,453
2.50% Convertible Notes(2)	—	294,048
Variable Funding Note	100,000	100,000
Senior Secured Term Loan, net of original issue discount(3)	244,906	—
Unamortized debt issuance costs(4)	(20,048)	(15,016)
Total debt	1,254,160	1,449,392
Less current maturities	160,435	61,123
Total long-term debt	$ 1,093,725	$ 1,388,269

(1) During FY 2016, the Company repurchased a total of $104.9 million par value (of which $51.7 million and $53.2 million were purchased in June 2016 and July 2016, respectively) of the 1.50% Convertible Notes. See below for further details.

(2) In April 2016, the Company repurchased $143.9 million par value of the 2.50% Convertible Notes. Upon maturity of the notes on June 1, 2016, the Company repaid the remaining outstanding balance of $156.1 million in cash. See below for further details.

(3) In December 2016, the Company made a mandatory principal prepayment of $28.7 million on its Senior Secured Term Loan. See below for further details.

(4) During the first quarter of FY 2016, the Company retrospectively adopted ASU 2015-03, "Simplifying the Presentation of Debt Issuance Costs". Refer to Note 1 for further details.

Senior Secured Notes

On November 29, 2012, Icon Brand Holdings, Icon DE Intermediate Holdings LLC, Icon DE Holdings LLC and Icon NY Holdings LLC, each a limited-purpose, bankruptcy remote, wholly-owned direct or indirect subsidiary of the Company, (collectively, the "Co-Issuers") issued $600.0 million aggregate principal amount of Series 2012-1 4.229% Senior Secured Notes, Class A-2 (the "2012 Senior Secured Notes") in an offering exempt from registration under the Securities Act of 1933, as amended.

Simultaneously with the issuance of the 2012 Senior Secured Notes, the Co-Issuers also entered into a revolving financing facility of Series 2012-1 Variable Funding Senior Notes, Class A-1 (the "Variable Funding Notes"), which allows for the funding of up to $100 million of Variable Funding Notes and certain other credit instruments, including letters of credit. The Variable Funding Notes were issued under the Indenture and allow for drawings on a revolving basis. Drawings and certain additional terms related to the Variable Funding Notes are governed by the Class A-1 Note Purchase Agreement dated November 29, 2012 (the "Variable Funding Note Purchase Agreement"), among the Co-Issuers, Iconix, as manager, certain conduit investors, financial institutions and funding agents, and Barclays Bank PLC, as provider of letters of credit, as swing line lender and as administrative agent. The Variable Funding Notes will be governed, in part, by the Variable Funding Note Purchase Agreement and by certain generally applicable terms contained in the Indenture. Interest on the Variable Funding Notes will be payable at per annum rates equal to the CP Rate, Base Rate or Eurodollar Rate, as defined in the Variable Funding Note Purchase Agreement.

In February 2015, the Company received $100.0 million proceeds from the Variable Funding Notes. There is a commitment fee on the unused portion of the Variable Funding Notes facility of 0.5% per annum. It is anticipated that any outstanding principal of and interest on the Variable Funding Notes will be repaid in full on or prior to January 2018. Following the anticipated repayment date, additional interest will accrue on the Variable Funding Notes equal to 5% per annum. The Variable Funding Notes and other credit instruments issued under the Variable Funding Note Purchase Agreement are secured by the collateral described below.

On June 21, 2013, the Co-Issuers issued $275.0 million aggregate principal amount of Series 2013-1 4.352% Senior Secured Notes, Class A-2 (the "2013 Senior Secured Notes" and, together with the 2012 Senior Secured Notes, the "Senior Secured Notes") in an offering exempt from registration under the Securities Act of 1933, as amended.

The Senior Secured Notes and the Variable Funding Notes are referred to collectively as the "Notes." The Notes were issued in securitization transactions pursuant to which substantially all of Iconix's United States and Canadian revenue-generating assets (the "Securitized Assets"), consisting principally of its intellectual property and license agreements for the use of its intellectual property, were transferred to and are currently held by the Co-Issuers. The Securitized Assets do not include revenue generating assets of (x) the Iconix subsidiaries that own the Badgley Mischka trademarks, the Ecko Unltd trademarks, the Mark Ecko trademarks, the Umbro trademarks, the Lee Cooper trademarks, and the Strawberry Shortcake trademarks, (y) the Iconix subsidiaries that own Iconix's other brands outside of the United States and Canada or (z) the joint ventures in which Iconix and certain of its subsidiaries have investments and which own the Artful Dodger trademarks, the Modern Amusement trademarks and the Buffalo trademarks, the Pony trademarks, the Nicholas Graham trademarks, the Hydraulic trademarks and a 50% interest in the Ice Cream trademarks, and the Billionaire Boys Club trademarks.

The Notes were issued under a base indenture and related supplemental indentures (collectively, the "Indenture") among the Co-Issuers and Citibank, N.A., as trustee (in such capacity, the "Trustee") and securities intermediary. The Indenture allows the Co-Issuers to issue additional series of notes in the future subject to certain conditions.

While the Notes are outstanding, payments of interest are required to be made on the Senior Secured Notes on a quarterly basis. To the extent funds are available, principal payments in the amount of $10.5 million and $4.8 million are required to be made on the 2012 Senior Secured Notes and 2013 Senior Secured Notes, respectively, on a quarterly basis.

The legal final maturity date of the Senior Secured Notes is in January of 2043, but it is anticipated that, unless earlier prepaid to the extent permitted under the Indenture, the Senior Secured Notes will be repaid in January of 2020. If the Co-Issuers have not repaid or refinanced the Senior Secured Notes prior to the anticipated repayment date, additional interest will accrue on the Senior Secured Notes equal to the greater of (A) 5% per annum and (B) a per annum interest rate equal to the excess, if any, by which the sum of (i) the yield to maturity (adjusted to a quarterly bond-equivalent basis), on the anticipated repayment date of the United States treasury security having a term closest to 10 years plus (ii) 5% plus (iii) with respect to the 2012 Senior Secured Notes, 3.4%, or with respect to the 2013 Senior Secured Notes, 3.14%, exceeds the original interest rate. The Senior Secured Notes rank pari passu with the Variable Funding Notes.

Pursuant to the Indenture, the Notes are the joint and several obligations of the Co-Issuers only. The Notes are secured under the Indenture by a security interest in substantially all of the assets of the Co-Issuers (the "Collateral"), which includes, among other things, (i) intellectual property assets, including the U.S. and Canadian registered and applied for trademarks for the following brands and other related IP assets: Candie's, Bongo, Joe Boxer (excluding Canadian trademarks, none of which are owned by Iconix), Rampage, Mudd, London Fog (other than the trademark for outerwear products sold in the United States), Mossimo, Ocean Pacific and OP, Danskin and Danskin Now, Rocawear, Starter, Waverly, Fieldcrest, Royal Velvet, Cannon, Charisma, and Sharper Image (other than for a "Sharper Image" branded website or catalog in the United States and other specified jurisdictions); (ii) the rights (including the rights to receive payments) and obligations under all license agreements for use of those trademarks; (iii) the following equity interests in the following joint ventures: an 85% interest in Hardy Way LLC which owns the Ed Hardy brand, a 50% interest in MG Icon LLC which owns the Material Girl and Truth or Dare brands, a 100% interest in ZY Holdings LLC which owns the Zoo York brand, and an 80% interest in Peanuts Holdings LLC which owns the Peanuts brand and characters; and (iv) certain cash accounts established under the Indenture.

If the Company contributes a newly organized, limited purpose, bankruptcy remote entity (each an "Additional IP Holder" and, together with the Co-Issuers, the "Securitization Entities") to Icon Brand Holdings LLC or Icon DE Intermediate Holdings LLC, that Additional IP Holder will enter into a guarantee and collateral agreement in a form provided for in the Base Indenture pursuant to which such Additional IP Holder will guarantee the obligations of the Co-Issuers in respect of any Notes issued under the Base Indenture and the other related documents and pledge substantially all of its assets to secure those guarantee obligations pursuant to a guarantee and collateral agreement.

Neither the Company nor any subsidiary of the Company, other than the Securitization Entities, will guarantee or in any way be liable for the obligations of the Co-Issuers under the Indenture or the Notes.

The Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) that the Co-Issuers maintain specified reserve accounts to be used to make required payments in respect of the Notes, (ii) provisions relating to optional and mandatory prepayments, including mandatory prepayments in the event of a change of control (as defined in the supplemental indentures) and the related payment of specified amounts, including specified make-whole payments in the case of the Senior Secured Notes under certain circumstances, (iii) certain indemnification payments in the event, among other things, the transfers of the assets pledged as collateral for the Notes are in stated ways defective or ineffective and (iv) covenants relating to recordkeeping, access to information and similar matters. The Company has been compliant with all covenants under the Notes through December 31, 2016.

The Notes are also subject to customary rapid amortization events provided for in the Indenture, including events tied to (i) the failure to maintain a stated debt service coverage ratio, which tests the amount of net cash flow generated by the assets of the Co-Issuers against the amount of debt service obligations of the Co-Issuers (including any commitment fees and letter of credit fees with respect to the Variable Funding Notes, due and payable accrued interest, and due and payable scheduled principal payments on the Senior Secured Notes), (ii) certain manager termination events, (iii) the occurrence of an event of default and (iv) the failure to repay or refinance the Notes on the anticipated repayment date. If a rapid amortization event were to occur, Icon DE Intermediate Holdings LLC and Icon Brand Holdings LLC would be restricted from declaring or paying distributions on any of its limited liability company interests.

The Company used approximately $150.4 million of the proceeds received from the issuance of the 2012 Senior Secured Notes to repay amounts outstanding under its revolving credit facility (see below) and approximately $20.9 million to pay the costs associated with the 2012 Senior Secured Notes financing transaction. In addition approximately $218.3 million of the proceeds from the 2012 Senior Secured Notes were used for the Company's purchase of the Umbro brand. The Company used approximately $7.2 million of the proceeds received from the issuance of the 2013 Senior Secured Notes to pay the costs associated with the 2013 Senior Secured Notes securitized financing transaction.

In June 2014, the Company sold the "sharperimage.com" domain name and the exclusive right to use the Sharper Image trademark in connection with the operation of a branded website and catalog distribution in specified jurisdictions, in which the Senior Secured Notes had a security interest pursuant to the Indenture. As a result of this permitted disposition, the Company paid an additional $1.6 million in principal in July 2014.

As of December 31, 2016 and December 31, 2015, the total principal balance of the Notes was $751.8 million and $812.9 million, respectively, of which $95.3 million is included in the current portion of long-term debt on the consolidated balance sheet. As of December 31, 2016 and December 31, 2015, $112.4 million and $48.7 million, respectively, is included in restricted cash on the consolidated balance sheet and represents short-term restricted cash consisting of collections on behalf of the Securitized Assets, restricted to the payment of principal, interest and other fees on a quarterly basis under the Senior Secured Notes.

For FY 2016, FY 2015 and FY 2014, cash interest expense relating to the Senior Secured Notes was approximately $33.6 million, $34.8 million and $35.2 million, respectively.

1.50% Convertible Notes

On March 18, 2013, the Company completed the issuance of $400.0 million principal amount of the Company's 1.50% convertible senior subordinated notes due March 15, 2018 ("1.50% Convertible Notes") in a private offering to certain institutional investors. The net proceeds received by the Company from the offering, excluding the net cost of hedges and sale of warrants (described below) and including transaction fees, were approximately $390.6 million.

The 1.50% Convertible Notes bear interest at an annual rate of 1.50%, payable semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2013. However, the Company recognizes an effective interest rate of 6.50% on the carrying amount of the 1.50% Convertible Notes. The effective rate is based on the rate for a similar instrument that does not have a conversion feature. The 1.50% Convertible Notes will be convertible into cash and, if applicable, shares of the Company's common stock based on a conversion rate of 32.4052 shares of the Company's common stock, subject to customary adjustments, per $1,000 principal amount of the 1.50% Convertible Notes (which is equal to an initial conversion price of approximately $30.86 per share) only under the following circumstances: (1) during any fiscal quarter beginning after December 15, 2017 (and only during such fiscal quarter), if the closing price of the Company's common stock for at least 20 trading days in the 30 consecutive trading days ending on and including the last trading day of the immediately preceding fiscal quarter is more than 130% of the conversion price per share, which is $1,000 divided by the then applicable conversion rate; (2) during the five consecutive business day period immediately following any five consecutive trading day period in which the trading price per $1,000 principal amount of the 1.50% Convertible Notes for each day of that period was less than 98% of the product of (a) the closing price of the Company's common stock for each day in that period and (b) the conversion rate per $1,000 principal amount of the 1.50% Convertible Notes; (3) if specified distributions to holders of the Company's common stock are made, as set forth in the indenture governing the 1.50% Convertible Notes ("1.50% Indenture"); (4) if a "change of control" or other "fundamental change," each as defined in the 1.50% Indenture, occurs; and (5) during the 90 day period prior to maturity of the 1.50% Convertible Notes. If the holders of the 1.50% Convertible Notes exercise the conversion provisions under the circumstances set forth, the Company will need to remit the lower of the principal balance of the 1.50% Convertible Notes or their conversion value to the holders in cash. As such, the Company would be required to classify the entire amount outstanding of the 1.50% Convertible Notes as a current liability in the following quarter. The evaluation of the classification of amounts outstanding associated with the 1.50% Convertible Notes will occur every quarter.

Upon conversion, a holder will receive an amount in cash equal to the lesser of (a) the principal amount of the 1.50% Convertible Note or (b) the conversion value, determined in the manner set forth in the 1.50% Indenture. If the conversion value exceeds the principal amount of the 1.50% Convertible Notes on the conversion date, the Company will also deliver, at its election, cash or the Company's common stock or a combination of cash and the Company's common stock for the conversion value in excess of the principal amount. In the event of a change of control or other fundamental change, the holders of the 1.50% Convertible Notes may require the Company to purchase all or a portion of their 1.50% Convertible Notes at a purchase price equal to 100% of the principal amount of the 1.50% Convertible Notes, plus accrued and unpaid interest, if any. Holders of the 1.50% Convertible Notes who convert their 1.50% Convertible Notes in connection with a fundamental change may be entitled to a make-whole premium in the form of an increase in the conversion rate.

Pursuant to guidance issued under ASC 815- "Derivatives and Hedging" ("ASC 815"), the 1.50% Convertible Notes are accounted for as convertible debt in the accompanying consolidated balance sheet and the embedded conversion option in the 1.50% Convertible Notes has not been accounted for as a separate derivative. For a discussion of the effects of the 1.50% Convertible Notes and the 1.50% Convertible Notes Hedges and Sold Warrants defined and discussed below on earnings per share, see Note 8.

As of December 31, 2016 and December 31, 2015, the amount of the 1.50% Convertible Notes accounted for as a liability was approximately $277.5 million and $357.5 million, respectively, and is reflected on the consolidated balance sheets as follows:

	December 31, 2016	December 31, 2015
Equity component carrying amount	$ 48,767	$ 49,931
Unamortized discount	17,531	42,547
Net debt carrying amount	$ 277,518	$ 357,453

During FY 2016, the Company repurchased $104.9 million par value of the 1.50% Convertible Notes with a combination of $36.7 million in cash (including interest and trading fees) and the issuance of approximately 7.4 million shares of the Company's common stock. The Company accounted for this transaction in accordance with ASC 470-20 resulting in the recognition of a $9.6 million gain which is included in gain on extinguishment of debt, net in the Company's consolidated statement of income for FY

2016, and a reacquisition of approximately $1.2 million of the embedded conversion option recorded within additional paid in capital on the Company's consolidated balance sheet as of December 31, 2016.

For FY 2016, FY 2015, and FY 2014, the Company recorded additional non-cash interest expense of approximately $14.6 million, $16.2 million, and $15.3 million, respectively, representing the difference between the stated interest rate on the 1.50% Convertible Notes and the rate for a similar instrument that does not have a conversion feature.

For FY 2016, FY 2015, and FY 2014 the Company recorded cash interest expense relating to the 1.50% Convertible Notes of approximately $5.2 million, $6.0 million and $6.0 million, respectively.

The 1.50% Convertible Notes do not provide for any financial covenants.

On March 18, 2013, the Company used a portion of the proceeds from the 1.50% Convertible Notes to repurchase 2,964,000 shares of its common stock in a private transaction with a third party for $69.0 million. See note 7 for further information on our stock repurchase program.

In connection with the sale of the 1.50% Convertible Notes, the Company entered into hedges for the 1.50% Convertible Notes ("1.50% Convertible Note Hedges") with respect to its common stock with one entity (the "1.50% Counterparty"). Pursuant to the agreements governing these 1.50% Convertible Note Hedges, the Company purchased call options (the "1.50% Purchased Call Options") from the 1.50% Counterparty covering up to approximately 13.0 million shares of the Company's common stock. These 1.50% Convertible Note Hedges are designed to offset the Company's exposure to potential dilution upon conversion of the 1.50% Convertible Notes in the event that the market value per share of the Company's common stock at the time of exercise is greater than the strike price of the 1.50% Purchased Call Options (which strike price corresponds to the initial conversion price of the 1.50% Convertible Notes and is simultaneously subject to certain customary adjustments). On March 13, 2013, the Company paid an aggregate amount of approximately $84.1 million of the proceeds from the sale of the 1.50% Convertible Notes for the 1.50% Purchased Call Options, of which $29.4 million was included in the balance of deferred income tax assets at March 13, 2013 and is being recognized over the term of the 1.50% Convertible Notes. As of December 31, 2016 and December 31, 2015, the balance of deferred income tax assets related to this transaction was approximately $5.6 million and $13.0 million, respectively.

The Company also entered into separate warrant transactions with the 1.50% Counterparty whereby the Company, pursuant to the agreements governing these warrant transactions, sold to the 1.50% Counterparty warrants (the "1.50% Sold Warrants") to acquire up to approximately 13.0 million shares of the Company's common stock at a strike price of $35.5173 per share of the Company's common stock. The 1.50% Sold Warrants will become exercisable on June 18, 2018 and will expire by September 1, 2018. The Company received aggregate proceeds of approximately $57.7 million from the sale of the 1.50% Sold Warrants on March 13, 2013.

Pursuant to guidance issued under ASC 815 as it relates to accounting for derivative financial instruments indexed to, and potentially settled in, a company's own stock, the 1.50% Convertible Note Hedge and the proceeds received from the issuance of the 1.50% Sold Warrants were recorded as a charge and an increase, respectively, in additional paid-in capital in stockholders' equity as separate equity transactions. As a result of these transactions, the Company recorded a net increase to additional paid-in-capital of $3.0 million in March 2013.

The Company has evaluated the impact of adopting guidance issued under ASC 815 regarding embedded features as it relates to the 1.50% Sold Warrants, and has determined it had no impact on the Company's results of operations and financial position through December 31, 2016, and will have no impact on the Company's results of operations and financial position in future fiscal periods.

As the 1.50% Convertible Note Hedge transactions and the warrant transactions were separate transactions entered into by the Company with the 1.50% Counterparty, they are not part of the terms of the 1.50% Convertible Notes and will not affect the holders' rights under the 1.50% Convertible Notes. In addition, holders of the 1.50% Convertible Notes will not have any rights with respect to the 1.50% Purchased Call Options or the 1.50% Sold Warrants.

If the market value per share of the Company's common stock at the time of conversion of the 1.50% Convertible Notes is above the strike price of the 1.50% Purchased Call Options, the 1.50% Purchased Call Options entitle the Company to receive from the 1.50% Counterparties net shares of the Company's common stock, cash or a combination of shares of the Company's common stock and cash, depending on the consideration paid on the underlying 1.50% Convertible Notes, based on the excess of the then current market price of the Company's common stock over the strike price of the 1.50% Purchased Call Options. Additionally, if the market price of the Company's common stock at the time of exercise of the 1.50% Sold Warrants exceeds the strike price of the 1.50% Sold Warrants, the Company will owe the 1.50% Counterparty net shares of the Company's common stock or cash, not offset by the 1.50% Purchased Call Options, in an amount based on the excess of the then current market price of the Company's common stock over the strike price of the 1.50% Sold Warrants.

These transactions will generally have the effect of increasing the conversion price of the 1.50% Convertible Notes to $35.5173 per share of the Company's common stock, representing a 52.5% percent premium based on the last reported sale price of the Company's common stock of $23.29 per share on March 12, 2013.

Moreover, in connection with the warrant transactions with the 1.50% Counterparty, to the extent that the price of the Company's common stock exceeds the strike price of the 1.50% Sold Warrants, the warrant transactions could have a dilutive effect on the Company's earnings per share.

2.50% Convertible Notes

On May 23, 2011, the Company completed the issuance of $300.0 million principal amount of the Company's 2.50% convertible senior subordinated notes due June 2016 ("2.50% Convertible Notes") in a private offering to certain institutional investors. The net proceeds received by the Company from the offering, excluding the net cost of hedges and sale of warrants (described below) and including transaction fees, were approximately $291.6 million.

In April 2016, the Company repurchased $143.9 million par value of the 2.50% Convertible Notes for $145.6 million in cash (including interest and trading fees). The Company accounted for this transaction in accordance with ASC 470-20, resulting in the recognition of a $1.2 million loss which is included in gain on extinguishment of debt, net in the Company's consolidated statement of income for FY 2016. The remaining outstanding balance of the 2.50% Convertible Notes, in an amount equal to $156.1 million, was repaid on June 1, 2016 (the maturity date).

For FY 2016, FY 2015, and FY 2014, the Company recorded additional non-cash interest expense of approximately $4.5 million, $12.7 million and $11.9 million, respectively, representing the difference between the stated interest rate on the 2.50% Convertible Notes and the rate for a similar instrument that does not have a conversion feature.

For FY 2016, FY 2015, and FY 2014, cash interest expense relating to the 2.50% Convertible Notes was approximately $3.0 million, $7.5 million and $7.5 million, respectively.

Senior Secured Term Loan

On March 7, 2016, the Company entered into a credit agreement (the "Credit Agreement"), among IBG Borrower LLC, the Company's wholly-owned direct subsidiary, as borrower ("IBG Borrower"), the Company and certain wholly-owned subsidiaries of IBG Borrower, as guarantors (the "Guarantors"), Cortland Capital Market Services LLC, as administrative agent and collateral agent ("Cortland") and the lenders party thereto from time to time (the "Lenders"), including CF ICX LLC and Fortress Credit Co LLC ("Fortress"). Pursuant to the Credit Agreement, the Lenders are providing to IBG Borrower a senior secured term loan (the "Senior Secured Term Loan"), scheduled to mature on March 7, 2021, in an aggregate principal amount of $300 million and bearing interest at LIBOR (with a floor of 1.50%) plus an applicable margin of 10% per annum.

The net cash proceeds of the Senior Secured Term Loan, which were approximately $264.2 million (after deducting financing, investment banking and legal fees), were, pursuant to the terms of the Credit Agreement, deposited by the Lenders into an escrow account on April 4, 2016. IBG Borrower deposited into the escrow account certain additional funds, so that the total amount of cash on deposit in the escrow account was sufficient to pay all outstanding obligations, plus accrued interest, under the Company's 2.50% Convertible Notes due June 2016. In accordance with the terms of the Senior Secured Term Loan, the funds in the escrow account were used to repay the 2.50% Convertible Notes (see above discussion on repayment of the 2.50% Convertible Notes) on or before their maturity, with any remaining funds going toward general corporate purposes permitted under the terms of the Credit Agreement.

Borrowings under the Senior Secured Term Loan amortize yearly at 5% of principal as long as the applicable asset coverage ratio, as defined in the Credit Agreement, remains greater than or equal to 1.65:1.00 as of the end of each fiscal quarter and IBG Borrower timely delivers a compliance certificate to Cortland after each fiscal quarter. If IBG Borrower's asset coverage ratio measured as of the end of a certain fiscal quarter is 1.25:1.00 or greater but less than 1.45:1.00, or 1.45:1.00 or greater but less than 1.65:1.00, IBG Borrower will be obligated to pay during the subsequent quarter amortization at 25% per annum, or 15% per annum, respectively. IBG Borrower will also pay amortization at 25% per annum if it fails to timely deliver a compliance certificate to Cortland after each fiscal quarter.

IBG Borrower's obligations under the Senior Secured Term Loan are guaranteed jointly and severally by the Company and the other Guarantors pursuant to a separate facility guaranty. IBG Borrower's and the Guarantors' obligations under the Senior Secured Term Loan are secured by first priority liens on and security interests in substantially all assets of IBG Borrower, the Company and the other Guarantors and a pledge of substantially all equity interests of the Company's subsidiaries (subject to certain limits including with respect to foreign subsidiaries) owned by the Company, IBG Borrower or any other Guarantor. However, the security interests

do not cover intellectual property and licenses associated with the exploitation of the Company's Umbro® brand in Greater China, those owned, directly or indirectly by the Company's subsidiary Iconix Luxembourg Holdings SARL or those subject to the Company's securitization facility. In addition, the pledges exclude certain equity interests of Marcy Media Holdings, LLC and the subsidiaries of Iconix China Holdings Limited.

In connection with the Credit Agreement, IBG Borrower, the Company and the other Guarantors have made customary representations and warranties. In addition to adhering with certain customary affirmative covenants, IBG Borrower established a lock-box account, and IBG Borrower, the Company and the other Guarantors entered into account control agreements on certain deposit accounts. The Credit Agreement also mandates that IBG Borrower, the Company and the other Guarantors maintain and allow appraisals of their intellectual property, perform under the terms of certrain licenses and other agreements scheduled in the Credit Agreement and report significant changes to or terminations of licenses generating guaranteed minimum royalties of more than $5 million. IBG Borrower must satisfy a minimum asset coverage ratio of 1.25:1.00 and maintain a leverage ratio of no greater than 4.50:1.00. The Company has been compliant with all covenants under the Senior Secured Term Loan from inception through December 31, 2016.

In addition, the Credit Agreement contains customary negative covenants and events of default. The Credit Agreement limits the ability of IBG Borrower, the Company and the other Guarantors, with respect to themselves, their subsidiaries and certain joint ventures, from, among other things, incurring and prepaying certain indebtedness, granting liens on certain assets, consummating certain types of acquisitions, making fundamental changes (including mergers and consolidations), engaging in substantially different lines of business than those in which they are currently engaged, making restricted payments and amending or terminating certain licenses scheduled in the Credit Agreement. Such restrictions, failure to comply with which may result in an event of default under the terms of the Credit Agreement, are subject to certain customary and specifically negotiated exceptions, as set forth in the Credit Agreement.

If an event of default occurs, in addition to the interest rate increasing by an additional 3% per annum, Cortland shall, at the request of Lenders holding more than 50% of the then-outstanding principal of the Senior Secured Term Loan, declare payable all unpaid principal and accrued interest and take action to enforce payment in favor of the Lenders. An event of default includes, among other events, a change of control by which a person or group becomes the beneficial owner of 35% of the voting stock of the Company or IBG Borrower or a majority of the board of the Company or IBG Borrower changes during a set period. Subject to the terms of the Credit Agreement, both voluntary and mandatory prepayments will trigger a make whole premium plus 3% of the aggregate principal amount during the first two years of the loan, and will carry a premium of 3% of the aggregate principal amount during the third year of the loan and 1% during the fourth year of the loan, with no premiums payable in subsequent periods.

In December 2016, as a result of the sale of the Sharper Image intellectual property and related assets and in accordance with the Credit Agreement, the Company was required to make a mandatory principal prepayment of $28.7 million and a corresponding prepayment premium of $4.3 million. The Company wrote off a pro-rata portion of the Senior Secured Term Loan's original issue discount and deferred financing costs of $2.1 million and $1.0 million, respectively. As a result of this transaction, the Company recognized a loss on extinguishment of debt of $7.4 million which has been recorded on the Company's consolidated statement of operations.

In January 2017, the Company made a voluntary prepayment and an additional mandatory prepayment of $23.0 million and $23.5 million, respectively, as well as a corresponding prepayment premium of $3.4 million and $3.4 million, respectively. As the Company was contractually obligated to pay the prepayment premium prior to December 31, 2016, the Company recorded the aggregate $6.8 million of prepayment premium in accrued expenses on the Company's consolidated balance sheet as of December 31, 2016, with a corresponding amount recorded in loss on extinguishment of debt on the Company's consolidated statement of operations for FY 2016.

The Company recorded cash interest expense of approximately $25.6 million to the Senior Secured Term Loan for FY 2016 as compared to none for FY 2015.

Debt Maturities

As of December 31, 2016, the Company's debt maturities on a calendar year basis are as follows:

	Total	2017	2018	2019	2020	2021	Thereafter
Senior Secured Notes	$ 651,784	$ 95,203	$ 57,685	$ 57,685	$ 57,685	$ 57,685	$ 325,841
1.50% Convertible Notes(1)	$ 277,518	—	277,518	—	—	—	—
Variable Funding Notes	$ 100,000	—	100,000	—	—	—	—
Senior Secured Term Loan(2)	$ 244,906	65,232	15,000	15,000	15,000	134,674	—
Total	$1,274,208	$ 160,435	$ 450,203	$ 72,685	$ 72,685	$ 192,359	$ 325,841

(1) Reflects the net debt carrying amount of the 1.50% Convertible Notes in the consolidated balance sheet as of December 31, 2016, in accordance with accounting for convertible notes. The principal amount owed to the holders of the 1.50% Convertible Notes is $295.1 million.

(2) Reflects the net debt carrying amount, effected by the outstanding balance of the original issue discount, in the consolidated balance sheet as of December 31, 2016. The actual principal outstanding balance of the Senior Secured Term Loan is $263.7 million as of December 31, 2016.

7. Stockholders' Equity

Stock Repurchase Program

In October 2011, the Company's Board of Directors authorized a program to repurchase up to $200 million of the Company's common stock over a period of approximately three years (the "2011 Program"). In February 2013, the Company's Board of Directors authorized another program to repurchase up to $300 million of the Company's common stock over a three year period (the "February 2013 Program"). This program was in addition to the 2011 Program, which was fully expended as of February 27, 2013. In July 2013, the Company's Board of Directors authorized a program to repurchase up to $300 million of the Company's common stock over a period of approximately three years ("July 2013 Program"). The July 2013 Program was in addition to the February 2013 Program, which was fully expended on August 15, 2013. In February 2014, the Company's Board of Directors authorized another program to repurchase up to $500 million of the Company's common stock over a three year period (the "February 2014 Program" and together with the 2011 Program and the February 2013 Program, the "Repurchase Programs"). The February 2014 Program is in addition to the July 2013 Program. The July 2013 Program expired on July 22, 2016.

The following table illustrates the activity under the Repurchase Programs, in the aggregate, for FY2016, FY 2015, FY 2014, FY 2013, FY 2012 and FY 2011:

	# of shares repurchased as part of stock repurchase programs	Cost of shares repurchased (in 000's)	Weighted Average Price
FY 2016	—	$ —	$ —
FY 2015	360,000	12,391	34.42
FY 2014	4,994,578	193,434	38.73
FY 2013	15,812,566	436,419	27.60
FY 2012	7,185,257	125,341	17.44
FY 2011	1,150,000	19,138	16.64
Total, FY 2011 through FY 2016	29,502,401	$ 786,723	$ 26.67

As of December 31, 2016, $500.0 million remained available for repurchase under the February 2014 Program.

2009 Equity Incentive Plan

On August 13, 2009, the Company's stockholders approved the Company's 2009 Equity Incentive Plan ("2009 Plan"). The 2009 Plan authorizes the granting of common stock options or other stock-based awards covering up to 3.0 million shares of the Company's common stock. All employees, directors, consultants and advisors of the Company, including those of the Company's subsidiaries, are eligible to be granted non-qualified stock options and other stock-based awards (as defined) under the 2009 Plan, and employees are also eligible to be granted incentive stock options (as defined) under the 2009 Plan. No new awards may be granted under the Plan after August 13, 2019.

On August 15, 2012, the Company's stockholders approved the Company's Amended and Restated 2009 Plan ("Amended and Restated 2009 Plan"), which, among other items and matters, increased the shares available under the 2009 Plan by an additional 4.0 million shares to a total of 7.0 million shares issuable under the Amended and Restated 2009 Plan and extended the 2009 Plan termination date through August 15, 2022.

2015 Executive Incentive Plan

On December 4, 2015, the Company's stockholders approved the Company's 2015 Executive Incentive Plan ("2015 Plan"). Under the 2015 Plan, the Company's officers and other key employees designated by the Compensation Committee are eligible to receive awards of cash, common stock or stock units issuable under the Amended and Restated 2009 Plan, or any combination thereof. Awards under the 2015 Plan are based on the achievement of certain pre-determined, non-discretionary performance goals established by the Compensation Committee and are further subject to, among other things, the 2015 Plan participant's continuous employment with the Company until the applicable payment date.

2016 Omnibus Incentive Plan

On November 4, 2016, the Company's stockholders approved the Company's 2016 Omnibus Incentive Plan ("2016 Plan"). The 2016 Plan replaced and superseded the Amended and Restated 2009 Plan. Under the 2016 Plan, all employees, directors, officers, consultants and advisors of the Company, including those of the Company's subsidiaries, are eligible to be granted common stock, options or other stock-based awards. There are 2.4 million shares of the Company's common stock available for issuance under the 2016 Plan.

Shares Reserved for Issuance

At December 31, 2016, 2,112,675 common shares were reserved for issuance under the 2016 Plan. At December 31, 2016 there were no common shares available for issuance under any previous Company plan.

Stock Options and Warrants

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

There was no compensation expense related to stock option grants or warrant grants during FY 2016, FY 2015 or FY 2014 as all prior awards have been fully expensed.

Summaries of the Company's stock options, warrants (other than warrants issued related to our 1.50% Convertible Notes and 2.50% Convertible Notes) and performance related options activity, and related information for FY 2016, FY 2015 and FY 2014 are as follows:

Stock Options

Options	Options	Weighted Average Exercise Price
Outstanding at January 1, 2014	1,313,077	$ 6.22
Granted	—	—
Canceled	—	—
Exercised	(1,172,000)	5.49
Expired/Forfeited	—	—
Outstanding at December 31, 2014	141,077	$ 11.87
Granted	—	—
Canceled	—	—
Exercised	(75,000)	9.84
Expired/Forfeited	(16,077)	4.82
Outstanding at December 31, 2015	50,000	$ 17.18
Granted	—	—
Canceled	—	—
Exercised	—	—
Expired/Forfeited	(30,000)	20.44
Outstanding at December 31, 2016	20,000	$ 12.29
Exercisable at December 31, 2016	20,000	$ 12.29

The weighted average contractual term (in years) of options outstanding and exercisable as of December 31, 2016, 2015 and 2014 were 2.50, 1.74, and 1.43 respectively.

No options vested during FY 2016, FY 2015 and FY 2014. There were no options granted during FY 2016, FY 2015 and FY 2014.

There was no exercise of stock options and accordingly, no cash received from option exercise for FY 2016 as compared to cash received from option exercise under all share-based payment arrangements for FY 2015 and FY 2014 of $0.3 million and $10.1 million, respectively. Accordingly, there was no tax benefit for FY 2016 as compared to a tax benefit of approximately $0.1 million and $10.7 million for FY 2014 and FY 2013, respectively, was for share-based payment arrangements.

The aggregate intrinsic value is calculated as the difference between the market price of the Company's common stock as of December 31, 2016 and the exercise price of the underlying options. At December 31, 2016, 2015 and 2014, the aggregate intrinsic value of options exercised was $0, $0 and $40.1 million, respectively. At December 31, 2016, 2015 and 2014 the aggregate intrinsic value of options outstanding and exercisable was $0, $0 and $3.0 million, respectively. There were no unamortized options as of December 31, 2016.

Warrants

Warrants	Warrants	Weighted Average Exercise Price
Outstanding at January 1, 2014	190,000	$ 19.80
Granted	—	—
Canceled	—	—
Exercised	(170,000)	21.35
Expired/Forfeited	—	—
Outstanding at December 31, 2014	20,000	$ 6.64
Granted	—	—
Canceled	—	—
Exercised	—	—
Expired/Forfeited	—	—
Outstanding at December 31, 2015	20,000	$ 6.64
Granted	—	—
Canceled	—	—
Exercised	—	—
Expired/Forfeited	—	—
Outstanding at December 31, 2016	20,000	$ 6.64
Exercisable at December 31, 2016	20,000	$ 6.64

All warrants issued in connection with acquisitions were recorded at fair market value using the Black Scholes model and are recorded as part of purchase accounting. Certain warrants are exercised using the cashless method.

The Company values other warrants issued to non-employees at the commitment date at the fair market value of the instruments issued, a measure which is more readily available than the fair market value of services rendered, using the Black Scholes model. The fair market value of the instruments issued is expensed over the vesting period.

The weighted average contractual term (in years) of warrants outstanding and exercisable as of December 31, 2016, 2015 and 2014 were 1.76, 2.76 and 3.76, respectively.

In FY 2016, FY 2015 and FY 2014, 0, 0 and 170,000 warrants, respectively, were exercised.

Restricted stock

Compensation cost for restricted stock is measured as the excess, if any, of the quoted market price of the Company's stock at the date the common stock is issued over the amount the employee must pay to acquire the stock (which is generally zero). The compensation cost, net of projected forfeitures, is recognized over the period between the issue date and the date any restrictions lapse, with compensation cost for grants with a graded vesting schedule recognized on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in substance, multiple awards. The restrictions do not affect voting and dividend rights.

The following tables summarize information about unvested restricted stock transactions:

	FY 2016		FY 2015		FY 2014	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Non-vested, January 1,	2,222,508	$ 20.06	2,699,732	$ 22.40	2,770,147	$ 20.53
Granted	2,123,971	5.37	355,588	20.34	256,480	40.63
Vested	(1,573,817)	9.65	(806,508)	27.72	(278,305)	20.04
Forfeited/Canceled	(355,762)	5.54	(26,304)	28.94	(48,590)	25.81
Non-vested, December 31,	2,416,900	$ 16.07	2,222,508	$ 20.06	2,699,732	$ 22.40

The Company has awarded time-based restricted shares of common stock to certain employees. The awards have restriction periods tied to employment and vest over a maximum period of 5 years. The cost of the time-based restricted stock awards, which is the fair market value on the date of grant net of estimated forfeitures, is expensed ratably over the vesting period. During FY 2016, FY 2015 and FY 2014, the Company awarded approximately 2.1 million, 0.4 million and 0.3 million restricted shares, respectively, with a fair market value of approximately $11.4 million, $7.2 million and $10.4 million, respectively.

The Company has awarded performance-based restricted shares of common stock to certain employees. The awards have restriction periods tied to certain performance measures. The cost of the performance-based restricted stock awards, which is the fair market value on the date of grant net of estimated forfeitures, is expensed when the likelihood of those shares being earned is deemed probable.

Compensation expense related to restricted stock grants for FY 2016, FY 2015 and FY 2014 was approximately $6.8 million (including approximately $1.9 million related to retention stock discussed below), $11.4 million and $18.5 million, respectively. Excluding the compensation expense related to the performance-based restricted stock awards which are tied to achievement of certain performance metrics of the Company, an additional amount of $7.1 million of expense related to time-based restricted shares is expected to be expensed evenly over a period of approximately two years. During FY 2016, FY 2015 and FY 2014, the Company repurchased shares valued at $0.6 million, $15.5 million and $16.0 million, respectively, of its common stock in connection with net share settlement of restricted stock grants and option exercises.

Retention Stock

On January 7, 2016, the Company awarded to certain employees a retention stock grant of approximately 1.3 million shares with a then current value of approximately $7.5 million. The awards cliff vest in three years based on the Company's total shareholder return measured against a peer group as described in the Company's Form 10-K/A filed on April 29, 2016. The measurement period began on the grant date and the beginning measurement amount was calculated based on the 20 day average closing stock price leading up to the grant date. The measurement period ends on December 31, 2018 and the ending measurement amount is based on the 20 day average closing stock price leading up to December 31, 2018. The award will vest on a scaled pay out based on the Company's total shareholder return versus the peer group.

In accordance with ASC 718, the Company valued these shares utilizing a Monte Carlo simulation as the awards are based on market conditions.

The grant date fair value of the awards issued on January 7, 2016 was $4.25 and was based on the following range of assumptions for the Company and the peer group:

	January 7, 2016
Valuation Assumptions:	
Beginning average stock price (20 trading days prior to January 7, 2016)	$4.85 - $63.41
Valuation date stock price (closing values on January 7, 2016)	$4.53 - $59.08
Risk free interest rate	1.21%
Expected dividend yield used when simulating the total shareholder return	0.00%
Expected dividend yield used when simulating the Company's stock price	0.00%
Stock price volatility (based on historical stock price over the last 2.98 years)	21.09% - 72.17%
Correlation coefficients	0.04 - 0.47

For Mr. Haugh, the Company's Chief Executive Officer, the grant date fair value of this award issued on February 23, 2016 was $5.75 and was based on the following range of assumptions for the Company and the peer group:

	February 23. 2016
Valuation Assumptions:	
Beginning average stock price (20 trading days prior to February 23, 2016)	$4.86 - $66.71
Valuation date stock price (closing values on February 23, 2016)	$5.52 - $69.92
Risk free interest rate	0.90%
Expected dividend yield used when simulating the total shareholder return	0.00%
Expected dividend yield used when simulating the Company's stock price	0.00%
Stock price volatility (based on historical stock price over the last 3.00 years)	24.23% - 74.33%
Correlation coefficients	0.06 - 0.50

Short-term Shareholder Rights Plan

On January 27, 2016, the Company announced that its Board of Directors adopted a short-term shareholder rights plan (the "Rights Plan"). The Board of Directors adopted the Rights Plan in light of activity in the Company's shares occurring prior to the adoption of the Rights Plan, including the accumulation of meaningful positions by holders of derivatives securities, and what the Iconix Board of Directors and management believed was a currently depressed share price for the Company's common stock. The Rights Plan expired following the 2016 annual meeting of shareholders. The Rights Plan had no impact on the Company's financial reporting for FY 2016 and will not impact any future periods.

Long-Term Incentive Compensation

On March 31, 2016, the Company approved a new plan for long-term incentive compensation (the "2016 LTIP") for key employees and granted equity awards under the 2016 LTIP in the aggregate amount of 707,028 shares with a then current value of approximately $6.4 million. For each grantee other than Mr. Haugh, the Company's Chief Executive Officer, 33% of the award was in the form of restricted stock units ("RSUs") and 67% of the award was in the form of target level performance stock units ("PSUs"). Mr. Haugh's award under the 2016 LTIP consisted of 25% RSUs and 75% PSUs. The RSUs for each grantee vest in three equal installments annually over a three-year period. Other than for Mr. Haugh, the PSUs cliff vest over three years based on the achievement of operating income performance targets established by the Compensation Committee. One-third of Mr. Haugh's PSUs shall be converted to time-based awards on December 31, 2016, December 31, 2017 and December 31, 2018, based on the achievement of operating income performance targets established by the Compensation Committee, and such time-based awards shall vest and be settled on December 31, 2018.

8. Earnings (Loss) Per Share

Basic earnings (loss) per share includes no dilution and is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per share reflect, in periods in which they have a dilutive effect, the effect of restricted stock-based awards, common shares issuable upon exercise of stock options and warrants and shares underlying convertible notes potentially issuable upon conversion. The difference between basic and diluted weighted-average common shares results from the assumption that all dilutive stock options outstanding were exercised and all convertible notes have been converted into common stock.

As of December 31, 2016, of the total potentially dilutive shares related to restricted stock-based awards, stock options and warrants, approximately 0.1 million were anti-dilutive, compared to all that were anti-dilutive as of December 31, 2015.

As of December 31, 2016, of the performance related restricted stock-based awards issued in connection with the Company's named executive officers, less than 0.1 million were anti-dilutive compared to all that were anti-dilutive as of December 31, 2015.

For FY 2016, warrants issued in connection with the Company's 1.50% Convertible Notes financing were anti-dilutive and therefore were not included in this calculation. For FY 2015, the 1.50% Convertible Notes and the 2.50% Convertible Notes that would be subject to conversion to common stock were anti-dilutive and therefore were not included in the calculation.

A reconciliation of weighted average shares used in calculating basic and diluted earnings per share follows:

	FY 2016	FY 2015	FY 2014
Basic	52,338	48,293	48,431
Effect of exercise of stock options	—	—	804
Effect of assuming vesting of performance related to restricted stock-based awards	—	—	212
Effect of assumed vesting of restricted stock	—	—	1,354
Effect of convertible notes subject to conversion	—	—	6,565
Diluted	52,338	48,293	57,366

In accordance with ASC 480, the Company considers its redeemable non-controlling interest in its computation of earnings per share. For each of FY 2016, FY 2015 and FY 2014, adjustments to the Company's redeemable non-controlling interest had no impact on the Company's earnings per share calculation.

See Note 6 for discussion of hedges related to our convertible notes.

9. Contingencies

In July 2013, Signature Apparel Group LLC, referred to as the Debtor, filed an amended complaint in an adversary proceeding captioned *Signature Apparel Group LLC v. ROC Fashions, LLC, et al., United States Bankruptcy Court, Southern District of New York, Adv. Pro. No. 11-02800* in the United States Bankruptcy Court in the Southern District of New York that, among others, named Studio IP Holdings LLC, referred to as Studio IP, and the Company (Studio IP and the Company are collectively referred to as Iconix), as defendants. In the amended complaint, the Debtor asserts that Iconix was complicit in an alleged conspiracy to pay $2.8 million to Debtor's principals. The Debtor also alleges that ROC Fashions LLC paid a $6 million fee to Iconix for a license, and asserts that those funds should be returned to the Debtor as well. In total, the Debtor is seeking at least $8.8 million in damages from Iconix. Iconix vigorously defended against the claims, and the trial on this matter concluded in March 2016. The Company is currently awaiting the Bankruptcy Court's determination on the matter and is unable to estimate its ultimate outcome.

In December 2015, Anthony L&S, LLC, referred to as ALS, the licensee of the Pony and related trademarks, commenced an action captioned *Anthony L&S, LLC v. US Pony Holdings, LLC and Iconix Brand Group, Inc., Index No. 654199/2015* in New York State Supreme Court, New York County against the Company and its subsidiary, US Pony Holdings, LLC. In September 2016, this matter was settled without any liability to the Company.

In January 2016, ALS's affiliate, Anthony L&S Athletics, LLC, referred to as Anthony Athletics, commenced an action captioned *Anthony L&S Athletics, LLC v. US Pony Holdings, LLC and Iconix Brand Group, Inc., Case No. 11867* in the Chancery Court in the State of Delaware against the Company and Pony. In September 2016, this matter was settled without any liability to the Company.

In April 2016, New Rise Brands Holdings, LLC, referred to as New Rise, a former licensee of the Ecko Unlimited trademark, and Sichuan New Rise Import & Export Co. Ltd., referred to as Sichuan, the guarantor under New Rise's license agreement, commenced an action captioned *New Rise Brands Holdings, LLC and Sichuan New Rise Import & Export Co. Ltd v. IP Holdings, LLC, et al., Index No. 652278/2016* in the New York State Supreme Court, New York County against the Company's subsidiary, IP Holdings, LLC, referred to as IP Holdings, seeking damages of $15 million, plus punitive damages of $50 million, attorneys' fees and costs. Among other claims, New Rise alleges improper termination of New Rise's license agreement and fraud. IP Holdings is vigorously defending against the claims and has asserted counterclaims against New Rise and Sichuan. At this time, the Company is unable to estimate the ultimate outcome of this legal matter.

Two shareholder derivative complaints captioned *James v. Cuneo et al, Docket No. 1:16-cv-02212* and *Ruthazer v. Cuneo et al, Docket No. 1:16-cv-04208* have been consolidated in the United States District Court for the Southern District of New York, and two shareholder derivative complaints captioned *De Filippis v. Cuneo et al. Index No. 650711/2016* and *Gold v. Cole et al, Index No. 53724/2016* have been consolidated in the Supreme Court of the State of New York, New York County. The complaints name the Company as a nominal defendant and assert claims for breach of fiduciary duty, insider trading and unjust enrichment against certain of the Company's current and former directors and officers arising out of the Company's recent restatement of financial reports and certain employee departures. An additional shareholder derivative complaint captioned *Rosenfeld v. Cuneo et al., Index No. 510427/2016* is pending in the Supreme Court of the State of New York, Kings County. The Company has moved to consolidate this action with the two shareholder derivative actions in the Supreme Court of the State of New York, New York County described above, and is awaiting the Court's decision on this matter. The complaint names the Company as a nominal defendant and asserts similar

claims against certain of the Company's current and former directors and officers as noted in connection with the shareholder derivative complaints described above. At this time, the Company is unable to estimate the ultimate outcome of these legal matters.

As previously announced, the Company has received a formal order of investigation from the SEC. The Company intends to continue to cooperate fully with the SEC.

Three securities class actions have been consolidated in the United States District Court for the Southern District of New York, under the caption *In re Iconix Brand Group, Inc., et al., Docket No. 1:15-cv-4860*, against the Company and certain former officers and one current officer (the "Class Action"). The plaintiffs in the Class Action purport to represent a class of purchasers of the Company's securities from February 22, 2012 to November 5, 2015, inclusive, and claim that the Company and individual defendants violated sections 10(b) and 20(a) of the Securities Exchange Act of 1934, by making allegedly false and misleading statements regarding certain aspects of the Company's business operations and prospects. The Company and the individual defendants have moved to dismiss the consolidated amended complaint and intend to vigorously defend against the claims. At this time, the Company is unable to estimate the ultimate outcome of these legal matters.

From time to time, the Company is also made a party to litigation incurred in the normal course of business. In addition, in connection with litigation commenced against licensees for non-payment of royalties, certain licensees have asserted unsubstantiated counterclaims against the Company. While any litigation has an element of uncertainty, the Company believes that the final outcome of any of these routine matters will not have a material effect on the Company's financial position or future liquidity.

10. Related Party Transactions

In prior periods, the Company incurred advertising expenses with Complex Media, Inc. to promote certain of its Men's brands. The Company owned a minority interest in Complex Media, Inc. as discussed in Note 3. There were no advertising expenses with Complex Media, Inc. during FY 2016 as compared to advertising expense of $0.2 million and $0.1 million for FY 2015 and FY 2014, respectively, and no related accounts payable as of December 31, 2016 as compared to $0.2 million as of December 31, 2015. Management believes that all transactions were made on terms and conditions no less favorable than those available in the marketplace from unrelated parties.

During FY 2016, the Company incurred approximately $0.5 million in advertising expenses with Galore Media, Inc. to promote certain of the Company's brands and for the rights to certain warrants of Galore Media, Inc. The Company owns a minority interest in Galore Media, Inc. as discussed in Note 3. Management believes that all transactions were made on terms and conditions no less favorable than those available in the marketplace from unrelated parties.

During FY 2016, FY 2015 and FY 2014, the Company incurred less than $0.1 million per year in consulting fees in connection with a consulting arrangement entered into with Mark Friedman, a member of the Company's Board of Directors, relating to the provision by Mr. Friedman of investor relations services. Such consulting agreement was terminated on May 3, 2016.

The Company has entered into certain license agreements in which the core licensee is also one of our joint venture partners. As of December 31, 2016, December 31, 2015, and December 31, 2014, the Company recognized the following royalty revenue amounts:

	FY 2016	FY 2015	FY 2014
Joint Venture Partner			
Global Brands Group Asia Limited(1)	$ 3,696	$ 5,672	$ 6,686
Buffalo International ULC	13,848	12,311	10,785
Rise Partners, LLC / Top On International Group Limited	2,050	5,469	2,527
M.G.S. Sports Trading Limited	615	609	643
Pac Brands USA, Inc.	434	519	890
NGO, LLC	982	807	108
Albion Equity Partners LLC / GL Damek	2,177	2,556	1,866
Anthony L&S	—	1,454	—
Roc Nation	—	400	400
MHMC(2)	1,240	300	
	$ 25,042	$ 30,097	$ 23,905

(1) Global Brands Group Asia Limited also serves as agent to Peanuts Worldwide for the Greater China Territory for Peanuts brands. For the years ended FY 2016, FY 2015 and FY 2014, Global Brands Group Asia Limited earned fees of approximately $3.3 million, $3.0 million, and $3.0 million, respectively, in its capacity as agent to Peanuts Worldwide.

(2) MHMC became a related party to the Company in July 2016 upon consummation of an agreement between a Company subsidiary and MHMC to sell to MHMC up to an aggregate 50% ownership interest in Umbro China. Refer to Note 3 for further details.

11. Operating Leases

Future net minimum lease payments under non-cancelable operating lease agreements as of December 31, 2016 are approximately as follows:

Year ending December 31,	
2017	$ 2,426
2018	2,202
2019	2,099
2020	2,158
2021	2,033
Thereafter	5,251
Totals	$ 16,169

The leases require the Company to pay additional taxes on the properties, certain operating costs and contingent rents based on sales in excess of stated amounts.

Rent expense was approximately $3.5 million, $2.4 million, and $2.7 million for FY 2016, FY 2015 and FY 2014, respectively. Contingent rent amounts have been immaterial for all periods.

12. Benefit and Incentive Compensation Plans and Other

The Company sponsors a 401(k) Savings Plan (the “Savings Plan”) which covers all eligible full-time employees. Participants may elect to make pretax contributions subject to applicable limits. At its discretion, the Company may contribute additional amounts to the Savings Plan. During FY 2016, FY 2015 and FY 2014, the Company made contributions to the Savings Plan of approximately $0.2 million, $0.2 million and $0.1 million, respectively. Stock-based awards are provided to certain employees under the terms of the Company’s Amended and Restated 2009 Plan. These plans are administered by the Compensation Committee of the Board of Directors.

With respect to performance-based restricted common stock units, the number of shares that ultimately vest and are received by the recipient is based upon various performance criteria. Though there is no guarantee that performance targets will be achieved, the Company estimates the fair value of performance-based restricted stock based on the closing stock price on the grant date. Over the

performance period, the number of shares of common stock that will ultimately vest and be issued is adjusted upward or downward based upon the Company's estimation of achieving such performance targets. The ultimate number of shares delivered to recipients and the related compensation cost recognized as an expense will be based on the actual performance metrics as defined under the 2009 Amended and Restated Plan. Restricted common stock units are unit awards entitle the recipient to shares of common stock upon vesting annually over as much as 5 years for time-based awards or over five years for performance-based awards. The fair value of restricted common stock units is determined on the date of grant, based on the Company's closing stock price.

13. Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740. Under ASC Topic 740, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized. In determining the need for a valuation allowance, management reviews both positive and negative evidence pursuant to the requirements of ASC Topic 740, including current and historical results of operations, future income projections and the overall prospects of the Company's business. Based upon management's assessment of all available evidence, including the estimates of future profitability based on projected royalty revenues from its licensees, and the overall prospects of the Company's business, management is of the opinion that the Company will be able to utilize the deferred tax assets in the foreseeable future.

At December 31, 2016, the Company has approximately $18.5 million in federal net operating loss carryforwards (NOLs) which will expire in FY 2035 if unused. The Company also has foreign tax credit carryforwards of approximately $18.2 million which will expire between FY 2023 and FY 2025. The Company also has approximately $18.6 million apportioned state and local NOLs that expire in FY 2034 and FY 2035 if not used.

Pre-tax book income (loss) for FY 2016, FY 2015 and FY 2014 were as follows:

	FY 2016	FY 2015	FY 2014
Domestic	$ (245,055)	$ (300,534)	$ 118,060
Foreign	(80,946)	16,260	49,050
Total pre-tax income (loss)	$ (326,001)	$ (284,274)	$ 167,110

The income tax provision (benefit) for federal, and state and local income taxes in the consolidated statement of operations consists of the following:

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Current:			
Federal	$ 7,140	$ 6,927	$ 1,511
State and local	702	3,765	1,500
Foreign	11,246	6,800	13,153
Total current	$ 19,088	$ 17,492	$ 16,164
Deferred:			
Federal	(94,114)	(110,705)	27,705
State and local	594	(431)	3,996
Foreign	(2,060)	(1,700)	423
Total deferred	(95,580)	(112,836)	32,124
Total provision (benefit)	$ (76,492)	$ (95,344)	$ 48,288

The Company has not provided U.S. taxes on the undistributed earnings from its foreign subsidiaries as these earnings are considered indefinitely reinvested. As of December 31, 2016, the amount of indefinitely reinvested foreign earnings was approximately $77.8 million. If these earnings were repatriated to the U.S. in the future, an additional tax provision would be required. Due to complexities in the U.S. law and certain assumptions that would be required, determination of the U.S. tax liability on the undistributed earnings is not practicable.

The significant components of net deferred tax assets of the Company consist of the following:

	December 31,	
	2016	2015
State net operating loss carryforwards	$ 753	$ 839
U.S. Federal net operating loss carryforwards	6,467	4,036
Receivable reserves	5,495	1,911
Hedging transaction	5,611	15,164
Intangibles	3,185	3,105
Equity compensation	2,030	6,013
Foreign Tax Credit	18,190	15,305
Other	5,572	44
Total deferred tax assets	47,303	46,417
Valuation allowance	—	—
Net deferred tax assets	$ 47,303	$ 46,417
Trademarks, goodwill and other intangibles	(41,422)	(123,348)
Depreciation	(744)	(990)
Difference in cost basis of acquired intangibles	(50,650)	(49,670)
Convertible notes	(7,889)	(17,853)
Investment in joint ventures	(31,813)	(35,261)
Other accruals	—	(488)
Total deferred tax liabilities	(132,518)	(227,610)
Total net deferred tax liabilities	$ (85,215)	$ (181,193)
Balance Sheet detail on total net deferred tax assets (liabilities):		
Non-current portion of net deferred tax assets	$ 884	$ —
Non-current portion of net deferred tax liabilities	$ (86,099)	$ (181,193)

The following is a rate reconciliation between the amount of income tax provision (benefit) at the Federal rate of 35% and provision (benefit) from taxes on income (loss) before income taxes:

	Year ended December, 31		
	2016	2015	2014
Income tax provision (benefit) computed at the federal rate of 35%	$ (114,100)	$ (99,496)	$ 58,489
Increase (reduction) in income taxes resulting from:			
State and local income taxes (benefit), net of federal income tax	742	6,337	3,090
Non-controlling interest	(1,619)	(938)	(6,552)
Unrecognized tax benefits	241	6,985	—
Valuation allowance	—	(11,205)	—
Non-deductible executive compensation	1,330	645	1,018
Foreign Earnings (rate differential)	37,674	349	(8,472)
Other, net	(760)	1,979	715
Total	$ (76,492)	$ (95,344)	$ 48,288

The Valuation Allowance decreased by approximately $11.2 million during FY 2015 as a result of State NOLs that were utilized as part of a New York State audit settlement along with NOLs for which the availability has been determined to be uncertain during the year. Accordingly, a corresponding offset has been recorded to the FIN 48 Liability during FY 2015.

With the exception of the Buffalo brand joint venture, Iconix Canada joint venture, Diamond Icon Joint Venture and Iconix Middle East joint venture, the Company is not responsible for the income taxes related to the non-controlling interest's share of the joint venture's earnings. Therefore, the tax liability associated with the non-controlling interest share of the joint venture's earnings is not reported in the Company's income tax expense, despite the joint venture's entire income being consolidated in the Company's reported income before income tax expense. As such, the joint venture's earnings have the effect of lowering our effective tax rate. This effect is more pronounced in periods in which joint venture earnings are higher relative to our other earnings. Since the Buffalo

brand joint venture and the Iconix Canada joint venture are taxable entities in Canada, and the Diamond Icon joint venture and Iconix Middle East joint venture is a taxable entity in the United Kingdom, the Company is required to report its tax liability, including taxes attributable to the non-controlling interest, in its statement of operations. All other consolidated joint ventures are partnerships and treated as pass-through entities not subject to taxation in their local tax jurisdiction, and therefore the Company includes only the tax attributable to its proportionate share of income from the joint venture in income tax expense.

The Company files income tax returns in the U.S. federal and various state and local jurisdictions. For federal income tax purposes, during the fourth quarter of 2016, the Internal Revenue Service initiated an audit of the 2014 federal tax return. For state tax purposes, our 2011 and forward tax years remain open for examination by New York State and for local tax purposes, our 2007 and forward tax years remain open for examination by New York City.

At December 31, 2016, December 31, 2015 and December 31, 2014, the total unrecognized tax benefit was approximately $7.5 million, $7.5 million and $1.2 million, respectively. However, at December 31, 2014 the liability is not recognized for accounting purposes because the related deferred tax asset has been fully reserved in prior years. A reconciliation of the beginning and ending amount of gross unrecognized tax benefits, excluding interest and penalties is as follows:

	FY 2016	FY 2015	FY 2014
Uncertain tax positions at January 1	$ 7,470	$ 1,180	$ 1,180
Additions for current year tax positions	—	—	—
Additions for prior year tax positions	—	7,470	—
Reductions for prior year tax positions	—	—	—
Settlements	—	(1,180)	—
Reductions due to lapse of applicable statute of limitation	—	—	—
Uncertain tax positions at December 31	$ 7,470	$ 7,470	$ 1,180

Approximately $3.4 million of unrecognized tax benefits at December 31, 2016 would affect the Company's effective tax rate if recognized. The Company believes it is reasonably possible that there may be a reduction of approximately $7.5 million of unrecognized tax benefits in the next 12 months as a result of settlements with taxing authorities and or statute of limitations expirations.

The Company is continuing its practice of recognizing interest and penalties to income tax matters in income tax expense. Total interest related to uncertain tax positions for FY 2016, FY 2015 and FY 2014 were $0.2 million, $1.2 million and $0, respectively. There were no penalties accrued in any of these periods.

14. Accumulated Other Comprehensive Income

The following table sets forth the activity in accumulated other comprehensive income for the years ended December 31, 2016 and December 31, 2015:

	Foreign currency translation adjustments	Unrealized losses of available for sale securities	Total
Balance at December 31, 2015	$ (60,190)	$ (703)	$ (60,893)
Changes before reclassifications	(7,545)	(1,990)	(9,535)
Amounts reclassified from accumulated other comprehensive income	—	—	—
Current period other comprehensive income	(7,545)	(1,990)	(9,535)
Balance at December 31, 2016	$ (67,735)	$ (2,693)	$ (70,428)

	Foreign currency translation adjustments	Unrealized losses of available for sale securities	Total
Balance at December 31, 2014	$ (24,186)	$ —	$ (24,186)
Changes before reclassifications	(36,004)	(703)	(36,707)
Amounts reclassified from accumulated other comprehensive income	—	—	—
Current period other comprehensive income	(36,004)	(703)	(36,707)
Balance at December 31, 2015	$ (60,190)	$ (703)	$ (60,893)

15. Segment and Geographic Data

The Company identifies its operating segments according to how business activities are managed and evaluated. Prior to October 1, 2016, the Company had disclosed the following reportable operating segments: men's, women's, home, and entertainment. Following such quarter, the Company has reviewed its business activities, how they are managed and evaluated, and determined that it would reflect five distinct reportable operating segments: men's, women's, home, entertainment, and international. Therefore, the Company has disclosed these reportable operating segments for the periods shown below. Since the Company does not track, manage and analyze its assets by segments, no disclosure of segmented assets is reported.

The five reportable operating segments described below represent the Company's activities for which separate financial information is available and which is utilized on a regular basis by the Company's CODM to evaluate performance and allocate resources. In identifying the Company's reportable operating segments, the Company considers its management structure and the economic characteristics, customers, sales growth potential and long-term profitability of its operating segments. As such, the Company configured its operations into the following five reportable operating segments:

- Men's segment – consists of the Company's men's brands in the United States.
- Women's segment – consists of the Company's women's brands in the United States.
- Home segment – consists of the Company's home brands in the United States.
- Entertainment segment – consists of the Company's entertainment brands in both domestic and international markets.
- International segment – consists of the Company's men's, women's and home brands in international markets.

Corporate includes compensation, benefits and occupancy costs for corporate employees as well as audit, legal, information technology expenses used to manage our business. The Company updated its FY 2015 and FY 2014 segment data to conform to the new reportable operating segments.

The Company's Chief Executive Officer has been identified as the CODM. The Company's measure of segment profitability is licensing revenue and operating income. The accounting policies of the Company's reportable operating segments are the same as those described in Note 1 – *Summary of Significant Accounting Policies*.

The geographic regions consist of the United States, Japan and Other (which principally represent Latin America and Europe). Revenues attributable to each region are based on the location in which licensees are located and where they principally do business.

Reportable data for the Company's operating segments were as follows:

	FY 2016	FY 2015	FY 2014
Licensing revenue:			
Men's	$ 48,635	$ 55,208	$ 60,993
Women's	106,527	118,038	120,041
Home	38,370	36,473	39,141
Entertainment	113,318	107,606	103,070
International	61,611	61,872	68,245
	$ 368,461	$ 379,197	$ 391,490
Operating income (loss):			
Men's	$ (132,574)	$ (334,164)	$ 29,810
Women's	62,565	101,074	115,293
Home	(18,106)	(7,321)	32,190
Entertainment	29,152	35,583	31,524
International	(162,986)	(3,503)	43,899
Corporate	(21,179)	(54,332)	(32,288)
	$ (243,128)	$ (262,663)	$ 220,428
Licensing revenue by category:			
Direct-to-retail license	$ 144,073	$ 154,278	$ 158,599
Wholesale licenses	168,458	170,705	178,890
Other licenses	55,930	54,214	54,001
	$ 368,461	$ 379,197	$ 391,490
Licensing revenue by geographic region:			
United States	$ 229,643	$ 250,209	$ 264,022
Japan	45,212	34,640	31,048
Other (1)	93,606	94,348	96,420
	$ 368,461	$ 379,197	$ 391,490

(1) No single country represented 10% of the Company's revenues in the periods presented within "Other" on this table.

16. Consolidated Interim Financial Information (Unaudited)

Consolidated financial information FY 2016 and FY 2015 is summarized as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
FY 2016(1)				
Licensing revenue	$ 94,632	$ 95,743	$ 90,944	$ 87,142
Operating income (loss), net	54,209	47,811	40,663	(385,811)
Provision (benefit) for income taxes	10,608	7,692	9,931	(104,723)
Net income (loss)	23,121	17,074	19,799	(309,503)
Net income (loss) attributable to Iconix Brand Group, Inc.	18,616	11,582	15,216	(297,548)
Basic earnings per share	$ 0.38	$ 0.24	$ 0.27	$ (5.30)
Diluted earnings per share	$ 0.37	$ 0.23	$ 0.27	$ (5.30)
Comprehensive income (loss)	$ 33,625	$ 9,299	$ 22,846	$ (324,814)
Comprehensive income (loss) attributable to Iconix Brand Group, Inc.	$ 29,120	$ 3,807	$ 18,263	$ (312,859)
FY 2015(2)				
Licensing revenue	$ 95,814	$ 97,398	$ 91,332	$ 94,653
Operating income (loss), net	55,976	51,824	27,782	(398,245)
Provision (benefit) for income taxes	27,272	11,536	6,275	(140,427)
Net income (loss)	69,045	18,955	(954)	(275,976)
Net income (loss) attributable to Iconix Brand Group, Inc.	65,359	13,739	(5,387)	(263,014)
Basic earnings (loss) per share	$ 1.36	$ 0.28	$ (0.11)	$ (5.44)
Diluted earnings (loss) per share	$ 1.26	$ 0.28	$ (0.11)	$ (5.44)
Comprehensive income (loss)	$ 31,309	$ 26,370	$ 3,097	$ (286,413)
Comprehensive income (loss) attributable to Iconix Brand Group, Inc.	$ 27,622	$ 21,155	$ (1,336)	$ (273,451)

(1) *FY 2016:* Operating income (loss), net includes a non-cash impairment charge of $443.2 million recorded in the fourth quarter. The non-cash impairment charge is related to brands across all of the Company's operating segments. Included in net income (loss) attributable to Iconix Brand Group, Inc. is a net loss on the extinguishment of debt related to the repurchase of the Company's 1.50% Convertible Notes and 2.50% Convertible Notes as well as principal prepayments made on the Company's Senior Secured Term Loan during the second, third and fourth quarters (refer to Note 6 for further details), a gain of $28.1 million related to the Company's sale of the Sharper Image intellectual property and related assets, a gain of $11.8 million related to the Company's sale of the Badgley Mischka intellectual property and related assets, a cash gain of $10.2 million related to the Company's sale of its investments in Complex Media in the third quarter and a gain of $7.3 million related to the recoupment and final settlement of unearned incentive compensation from the Company's former CEO in connection with the previously announced financial restatements during the fourth quarter.

(2) *FY 2015:* Operating income (loss), net includes a non-cash impairment charge of $437.5 million recorded in the fourth quarter. Based on our new operating segments identified during the fourth quarter of FY 2016, the non-cash impairment charge is primarily related to brands within the men's, women's, home, and international segments. Included in net income (loss) attributable to Iconix Brand Group, Inc. is a non-cash pre-tax re-measurement gain of approximately $50.0 million related to the purchase of the remaining interest in Iconix China in the first quarter.

17. Other Assets- Current and Long-Term

	December 31, 2016	December 31, 2015
Other assets- current consisted of the following:		
Notes receivables on sale of trademarks(2)	$ 3,342	$ 3,892
Note receivable in connection with Strawberry Shortcake acquisition(1)	1,240	5,000
Note receivable in connection with acquisition of interest in Buffalo brand (see Note 3)	2,515	6,963
Due from AG (see Note 3)	—	3,437
Prepaid advertising	3,322	2,498
Prepaid expenses	1,296	1,501
Deferred charges	193	913
Prepaid taxes	15,135	14,941
Prepaid insurance	18	(41)
Due from related parties	3,600	3,293
Other current assets	1,613	1,719
	$ 32,274	$ 44,116

(1) The Note receivable in connection with Strawberry Shortcake acquisition represents amounts due from AG in respect of non-compete payments pursuant to a License Agreement entered into with AG simultaneously with the closing of the transaction.

(2) Certain amounts due from our joint venture partners are presented net of redeemable non-controlling interest and non-controlling interest in the consolidated balance sheet. Refer to Note 3 for further details.

	December 31, 2016	December 31, 2015
Other noncurrent assets consisted of the following:		
Due from ABC	$ 8,497	$ 11,621
Notes receivable on sale of trademarks(1)	1,677	5,029
Prepaid interest	8,061	8,560
Deposits	621	621
Other noncurrent assets	368	2,917
	$ 19,224	$ 28,748

(1) Certain amounts due from our joint venture partners are presented net of redeemable non-controlling interest and non-controlling interest in the consolidated balance sheet. Refer to Note 3 for further details.

18. Other Liabilities – Current

As of December 31, 2016 and December 31, 2015, other current liabilities include amounts due to certain joint ventures that are not consolidated with the Company of $1.3 million and $1.6 million, respectively, and amounts due to Purim related to the MG Icon acquisition of $2.0 million as of December 31, 2015 which was paid in full during FY 2016. See Note 3 for further details of this transaction.

19. Foreign Currency Translation

The functional currency of Iconix Luxembourg and Red Diamond Holdings which are wholly owned subsidiaries of the Company, located in Luxembourg, is the Euro. However the companies have certain dollar denominated assets, in particular cash and notes receivable, that are maintained in U.S. Dollars, which are required to be revalued each quarter. Due to fluctuations in currency in FY 2016, FY 2015 and FY 2014, the Company recorded a $1.5 million currency translation gain, a $9.5 million currency translation gain and a $1.7 million currency translation loss, respectively, that is included in the consolidated statements of operations.

Comprehensive income includes certain gains and losses that, under U.S. GAAP, are excluded from net income as such amounts are recorded directly as an adjustment to stockholders' equity. Our comprehensive income is primarily comprised of net income and foreign currency translation gain or loss. During FY 2016, FY 2015 and FY 2014, the Company recognized as a component of our

comprehensive income (loss), a foreign currency translation loss of $7.6 million, a foreign currency translation loss of $36.0 million and a foreign currency translation loss of $40.7 million, respectively, due to changes in foreign exchange rates.

20. Subsequent Events

Senior Secured Term Loan. In January 2017, in connection with the sale of the Sharper Image intellectual property and related assets, the Company made a voluntary principal prepayment and a mandatory principal prepayment on its Senior Secured Term Loan of $23.0 million and $23.5 million, respectively. As a result of these principal prepayments, the Company paid prepayment premiums as defined in the Credit Agreement of $6.8 million in the aggregate which have been recorded in accounts payable and accrued expenses in the Company's consolidated balance as of December 31, 2016 and in loss on extinguishment of debt, net on the Company's consolidated statement of operations for the year ended December 31, 2016.

Senior Secured Notes. In January 2017, in connection with the sale of the Sharper Image intellectual property and related assets, the Company made a mandatory principal prepayment on its Senior Secured Notes of $36.7 million.

21. Other Matters

On August 5, 2015, Mr. Cole resigned as the Company's Chairman of the Board, President, Chief Executive Officer and as a director of the Company effective immediately. Upon Mr. Cole's resignation, Mr. F. Peter Cuneo, a member of the Company's Board of Directors, was appointed the Company's Chairman of the Board and Interim Chief Executive Officer. The Company recognized a one-time pre-tax charge of approximately $4.6 million in FY 2015, primarily related to the terms of a binding term sheet with Mr. Cole. Under the terms of Mr. Cuneo's agreement as Interim Chief Executive Officer, the Company recognized a one-time pre-tax charge of approximately $1.2 million in FY 2015.

In December 2016, based on the final settlement of unearned incentive compensation from the Company's former CEO in connection with the previously announced financial restatements, the Company clawed back certain performance based compensation ($2.2 million in cash and 575,127 shares of the Company's common stock) which were awarded to the former CEO in those prior periods. As a result, the Company recognized a pre-tax gain of $7.3 million in its FY 2016 consolidated statement of operations.

As a result of a comprehensive review of the Company's license agreements and relationships with its licensees and based on current business conditions in FY 2015, the Company increased its provision for doubtful accounts and wrote off uncollectible accounts, which in the aggregate amounted to bad debt expense of approximately $16.0 million, which is included in the Company's selling, general and administrative expenses for the year ended December 31, 2015.

During FY 2016 and FY 2015, the Company included in its selling, general and administrative expenses approximately $14.3 million and $11.1 million, respectively, of charges for professional fees associated with the continuing correspondence with the Staff of the SEC, the SEC investigation, the class action and derivative litigations, and costs related to the transition of the Company's management (which includes $4.6 million in FY 2015 noted above with no corresponding amount in FY 2016).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Iconix Brand Group, Inc.
New York, New York

The audits referred to in our report dated March 15, 2017 relating to the consolidated financial statements of Iconix Brand Group, Inc. and Subsidiaries ("the Company"), which is contained in Item 8 and Item 15(a) of this Form 10-K also included the audit of the financial statement schedule listed in the accompanying index. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement schedule based upon our audits.

In our opinion the financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ BDO USA LLP
March 15, 2017
New York, New York

Schedule II - Valuation and Qualifying Accounts
Iconix Brand Group, Inc. and Subsidiaries
(In thousands)

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions	Balance at End of Period
Reserves and allowances deducted from asset accounts:				
Accounts Receivables[a]:				
Year ended December 31, 2016	$ 8,385	$ 13,530	$ (2,521)	$ 19,394
Year ended December 31, 2015	$ 8,738	$ 25,128	$ (25,481)	$ 8,385
Year ended December 31, 2014	$ 12,140	$ 9,627	$ (13,029)	$ 8,738

(a) These amounts include reserves for bad debts.

Exhibit 10.63

SEPARATION AGREEMENT

This Separation Agreement dated as of the 15th of December 2016 (this "Agreement"), is entered into by and between DAVID BLUMBERG (the "Executive") and ICONIX BRAND GROUP, INC., a Delaware corporation ("Iconix" or the "Company"). Together, the Executive and Iconix are sometimes referred to herein collectively as the "Parties."

WHEREAS, the Executive is an executive officer of Iconix;

WHEREAS, the Executive is a party to an Employment Agreement dated as of February 4, 2016 by and between Iconix and the Executive (the "Employment Agreement"); and

WHEREAS, the Parties desire to fully and finally set forth the terms and conditions of the Executive's separation of employment with Iconix.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, it is agreed as follows:

1. Termination of Employment.

Iconix and the Executive mutually agree to terminate the Executive's employment with Iconix without Cause (as defined in the Employment Agreement) effective on December 15, 2016 (the "Termination Date").

2. Payments.

(A) Iconix agrees to pay the Executive the total amount of $960,000 (the "Severance Payment"), representing the sum of (i) the Executive's Base Salary (as defined in the Employment Agreement) of $600,000 in effect immediately prior to the date hereof, plus (ii) the Target Bonus Amount (as defined in the Employment Agreement) of $360,000 for calendar year 2016. The Severance Payment shall be paid to the Executive in a lump sum, less any applicable federal, state and/or local tax withholdings, on the first business day following his delivery of the 24,688 shares of Common Stock to be returned to the Company pursuant to Paragraph 3 below, as long as he does not revoke this Agreement pursuant to Paragraph 22 below or the Release pursuant to Paragraph 10 thereof.

(B) Pursuant to the terms of the Employment Agreement, Iconix shall pay the Executive his Base Salary through and including the Termination Date in accordance with its normal payroll practices and will continue to provide the Executive with all of his current benefits and permit the Executive to continue to participate in all of the company benefit plans that he is currently participating in, in each case through and including the Termination Date.

(C) Iconix shall cause its employee benefits service provider to provide to the Executive notice of his right to continue coverage under the Company's group medical, dental and vision group insurance benefit programs in which he was participating immediately prior to the Termination Date. If the Executive timely and effectively elects continuation coverage pursuant to Section 601-608 of the Employee Retirement Income Security Act of 1974, as amended, popularly known as COBRA ("COBRA") under one or more of such programs, and provided the Executive submits to Iconix evidence of his full payment of the applicable premium payments for such coverage, then until the earlier of (i) the Executive or his eligible dependents, as the case may be, ceasing to be eligible under COBRA, (ii) eighteen (18) months following the termination of the Executive's employment, and (iii) the Executive and his eligible dependents becoming eligible for coverage under the health insurance plan of another employer, the Company shall reimburse the Executive for such premium payments, less the portion of such payments representing the premium the Executive would have paid at the "active employee" rate for such coverage.

(D) With respect to the 64,919 Performance Stock Units (the "PSUs") awarded to the Executive pursuant to the Performance Stock Unit Agreement, effective as of March 31, 2016 (the "LTIP PSU Agreement"), 21,640 of such PSU's (the "Eligible PSUs") shall remain eligible to, and shall, vest following the expiration of the Performance Period (as defined in the LTIP PSU Agreement), subject to the Company's achievement of the performance goals set forth in Exhibit X to, and the other terms and conditions set forth in, the LTIP PSU Agreement. Eligible PSU's that vest, if any, shall be distributed to the Executive simultaneous with the distribution to other employees of performance stock units granted under the Company's 2016 Long Term Incentive Plan. The Executive acknowledges that with the exception of the Eligible PSUs, the remaining PSUs shall not vest and shall terminate as of the Termination Date. Notwithstanding anything to the contrary contained in the LTIP PSU Agreement, for purposes of clarification it is agreed and understood that upon a Change of Control (as defined in the LTIP PSU Agreement) that occurs at any time from and after the date hereof and before March 30, 2019, the Eligible PSUs will vest and the shares covered thereby shall be distributed to the Executive within thirty (30) days of such Change of Control.

(E) With respect to the 155,000 Performance Stock Units awarded to the Executive on January 7, 2016 pursuant to a Retention Performance Stock Unit Agreement, the Company will issue to the Executive up to thirty-three percent (33%) of the underlying shares of Common Stock of the Company, less any applicable federal, state and/or local tax withholdings (including through a "net share settlement"), within ten (10) business days following his delivery of the 24,688 shares of Common Stock to be returned to the Company pursuant to Paragraph 3 below, as long as he

does not revoke this Agreement pursuant to Paragraph 22 below or the Release pursuant to Paragraph 10 thereof, and subject to the Compensation Committee's determination as to the Company's achievement of the performance goals set forth on Exhibit X to the Retention Performance Stock Unit Agreement, such determination to be made promptly after the Termination Date. The Executive acknowledges that the remaining stock units underlying such January 7, 2016 retention performance stock unit award shall not vest and shall terminate as of the Termination Date.

(F) The Executive acknowledges that he has received payment by Iconix of the last installment of the Retention Bonus payable to the Executive pursuant to the 2016 Retention Plan in an amount equal to $50,000 (less any applicable federal, state and/or local tax withholdings).

(G) Except as set forth in Paragraphs 2(D) and 2(E), no other shares, options or other equity awards granted to the Executive prior to the date hereof will vest following the date hereof. For the avoidance of doubt, the Executive acknowledges that no such awards will vest between the date hereof and the Termination Date.

3. Clawback and Return of Shares. On the first business day following the expiration of the Revocation Period, the Executive will return to the Company 19,750 shares of Common Stock of the Company (the "Clawback Shares") in full satisfaction of his clawback obligations related to the restatement of the Company's financial statements as more fully described in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 18, 2016 (the "Restatement"). The 19,750 shares of Common Stock consist of the following shares of Common Stock that vested prior to giving effect to the Restatement: (i) 9,875 shares of Common Stock related to the achievement of the 2014 Adjusted EBITDA target; and (ii) 9,875 shares of Common Stock related to the achievement of the 2014 EPS target.

In addition, on the first business day following the expiration of the Revocation Period, the Executive will return to the Company 4,938 shares of Common Stock of the Company, which represents the net excess shares issued to the Executive by virtue of an under-issuance to the Executive of 4,939 shares of Common Stock in 2014 and an over-issuance to the Executive of 9,877 shares of Common Stock in 2015.

4. Release of Claims by the Executive. On the Termination Date, the Executive shall execute and deliver to the Company the form of General Release and Waiver attached as Exhibit A hereto (the "Release").

5. Representations and Covenant not to Sue.

(A) The Executive hereby represents and warrants to Iconix that neither he nor any of the Releasors (as defined in the Release) has, or has agreed to, assign, transfer, sell, encumber, pledge, hypothecate, mortgage, distribute, or otherwise dispose of, or convey to any third-party, any right or claim against any of the Releasees (as defined in the Release), that has been or will be released in the Release. The Executive hereby agrees that following the date hereof, he shall not, directly or indirectly, assist any third-party in filing, instituting or pursuing any claim against any of the Releasees.

(B) In making the foregoing representations, the Executive shall not be deemed to have breached any portion of this Agreement by exercising any of his rights, if any, under COBRA.

6. Cooperation with Iconix and its Counsel. For a period of three years commencing on the Termination Date, the Executive will, upon reasonable notice and subject to his other reasonable personal and professional commitments, cooperate fully with Iconix and its affiliates, subsidiaries and other entities in which it directly or indirectly holds an equity interest and with any legal counsel, expert or consultant they may retain to assist them or any of their respective officers, directors, employees, agents or other representatives in connection with any judicial proceeding, arbitration, administrative proceeding, governmental investigation or inquiry or internal audit in which Iconix or any of its affiliates, subsidiaries or entities in which it directly or indirectly holds an equity interest or any of their respective officers, directors, employees, agents or other representatives may be or become involved and that is related to a matter that arose during the period that the Executive was employed by Iconix. The agreement to cooperate as set forth in the immediately preceding sentence includes the Executive's assistance, cooperation and full participation with respect to any pending litigation in which he has been identified as a witness or defendant and includes preparing for and attending depositions, assisting in answering factual questions for discovery, and preparing for and attending any hearing or trial. Except as provided in Paragraph 8(B) below, the Executive agrees to notify Iconix promptly if he is subpoenaed by any person or entity (including, but not limited to, any governmental agency) to give testimony (in a deposition, court proceeding or otherwise) or to provide documents that in any way relates to Iconix or any of its affiliates, subsidiaries or entities in which it directly or indirectly holds an equity interest or any of their respective officers, directors, employees, agents or other representatives, unless such prior notification is prohibited by applicable law. The Executive also agrees not to give such testimony or provide such documents prior to giving notification to Iconix unless compelled to do so by lawful subpoena issued by a body of competent jurisdiction. The Executive agrees that nothing in this Agreement is intended or shall be construed in any way as being dependent upon or contingent on the content of the Executive's testimony. In consideration for the foregoing, the Company shall reimburse the Executive for all reasonable documented out-of-

pocket costs and expenses incurred by the Executive in connection with complying with his obligations set forth in this Paragraph 6, including, without limitation, the reasonable costs and expenses of counsel retained by the Executive.

7. Return of Company Property. On the Termination Date, Executive shall return to Iconix all Iconix property in his possession, including, but not limited to, all originals and copies of confidential and proprietary information, computer equipment, blackberries, smart phones, databases, files, email or other electronically-stored materials, records, client lists, sales contacts, sales leads, correspondence, work papers, brochures, documents, building/office keys, corporate credit card(s), unreconciled expense accounts or other money owed to Iconix, employee identification card(s), parking pass(es) and any other materials the Executive may have in his possession or under his control that are the property of Iconix. The Executive shall turn over to Iconix his own equipment (consisting of an IPad and a blackberry) that contain Company information and permit the Company, through a third-party service provider, to (i) image and copy the information on such equipment for the Company, and (ii) remove Company information from such equipment, in each case, at the Company's expense. Thereafter, the Company shall return such equipment to the Executive.

8. Confidentiality; Non-Competition and Non-Solicitation.

(A) The Executive acknowledges and agrees that he remains subject to the provisions of Section 6 (Confidentiality) and Section 7 (Noncompetition; Nonsolicitation) of the Employment Agreement which shall remain in full force and effect for the periods set forth therein.

(B) The Executive understands and acknowledges that notwithstanding any other provision in this Agreement, he is not prohibited or in any way restricted from reporting possible violations of law to a governmental agency or entity, and he is not required to inform Iconix if he makes such reports.

9. Indemnification. Iconix acknowledges and agrees that notwithstanding the termination of the Employment Agreement and the Executive's employment by the Company, Iconix will continue to be bound by Section 8 of the Employment Agreement which shall remain in full force and effect.

10. Mutual Non-Disparagement. Except as otherwise required by law, from and after the date hereof, each of the Executive and the Company hereby covenants and agrees that he or it shall not, directly or indirectly, in any manner, disparage, demean or defame the Company or its affiliates, employees, officers or directors, on the one hand, or the Executive, on the other hand.

11. Acknowledgments and Affirmations. The Executive acknowledges and affirms the following:

(A) Other than amounts payable hereunder, he has been paid and/or has received all compensation, wages, bonuses, commissions and/or benefits of any kind to which he may be entitled and that he has been granted any leave to which he was entitled under the Family and Medical Leave Act or related state or local leave or disability accommodation laws that are not specified in this Agreement;

(B) He has been paid for any and all unused vacation or other paid time off to which he may have been entitled as an employee of Iconix;

(C) He has been reimbursed for all business expenses incurred through the date hereof;

(D) He has no known workplace injuries or occupational diseases;

(E) He has complied with the provisions of Section 6 of the Employment Agreement; and

(F) He has never been retaliated against for reporting any allegations of wrongdoing by Iconix or any of its affiliates, subsidiaries or other entities in which it directly or indirectly holds an equity interest or any of their respective officers, directors or employees, including any allegations of corporate fraud.

12. Attorneys' Fees & Costs. The Executive and Iconix will bear their own respective legal costs incurred by each in connection with the negotiation of this Agreement. In any dispute between the Parties concerning an alleged breach of this Agreement that results in the prosecution of a judicial proceeding, in the event that a judgment is entered in favor of the defendant in such judicial proceeding, the defendant, as the prevailing party, shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the defense of such judicial proceeding.

13. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, and their respective heirs, executors, administrators, successors and assigns. Neither Party shall assign or otherwise transfer this Agreement or his/its rights, interests or obligations under this Agreement, except with the prior written consent of the other Party, provided, however, that Iconix may assign its rights under this Agreement to any successor entity.

14. Severability. The invalidity or unenforceability of any provision hereof shall not in any way affect the validity or enforceability of any other provision.

15. Governing Law; Jurisdiction. This Agreement shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be construed in accordance with the internal laws of the State of New York without regard to principles of conflict of law. Iconix and the Executive unconditionally consent to submit to the exclusive jurisdiction of the New York State Supreme Court, County of New York or the United States District Court for the Southern District of New York for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated thereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts), and hereby irrevocably waive, and agree not to assert in any suit, action or proceeding, any claim that he/it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each Party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such Party at the address for such notices to him/it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT HE/IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

16. No Admission of Liability. This Agreement does not constitute an admission of liability or wrongdoing of any kind by the Executive or the Company or any other person. This Agreement is not intended, and shall not be construed, as an admission that the Executive or any Releasee (as defined in the Release) has violated any Federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract or committed any wrong whatsoever against any Releasor (as defined in the Release). The Executive confirms that no claim, charge or complaint against the Company or any other Releasee brought by him exists before any Federal, state, or local court or administrative agency. The Executive represents and warrants that he has no knowledge of any improper or illegal actions or omissions by the Company that he has not disclosed to the Company's general counsel or Board of Directors, nor does he know of any basis, that he has not disclosed to the Company's general counsel or Board of Directors, on which any third party or governmental entity could reasonably assert such a claim. This expressly includes any and all conduct that potentially could give rise to claims under the Sarbanes-Oxley Act of 2002.

17. Entire Agreement; Modification; Binding Effect. Except as specifically provided herein or in the Release, this Agreement and the Release reflect the entire understanding between the Parties with respect to the subject matter hereof and thereof. This Agreement and the Release supersede any and all other agreements, either oral or in writing, between the Parties with respect to the employment of

the Executive by Iconix and the termination of the Executive's employment with Iconix and contains all of the covenants and agreements between the Parties with respect to such employment and the termination of the Executive's employment, other than, in each case, the provisions of the Employment Agreement pursuant to which the Executive and/or the Company continue to be bound as specifically set forth in this Agreement or the Release. Any modification or termination of this Agreement will be effective only if it is in writing signed by the Party to be charged. The Executive acknowledges and agrees that in executing this Agreement he has not relied, and when executing the Release he will not rely, on any representation, promise, discussion, understanding or agreement of any kind other than those set forth in this Agreement and in the Release.

18. Counterparts. This Agreement may be executed by the Parties in one or more counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts has been signed by each of the Parties and delivered to the other Party.

19. Notices. All notices relating to this Agreement shall be in writing and shall be either personally delivered, sent by overnight courier, sent by telecopy (receipt confirmed) or mailed by certified mail, return receipt requested, to be delivered at such address as is indicated below, or at such other address or to the attention of such other person as the recipient has specified by prior written notice to the sending party. Notice shall be effective upon receipt.

To the Company:

Iconix Brand Group, Inc.
1450 Broadway, 3rd Floor
New York, New York 10018
Attention: John Haugh, President and Chief Executive Officer

With a copy in the same manner to:

Blank Rome LLP
405 Lexington Avenue
New York, New York 10174
Attention: Robert J. Mittman, Esq.

To the Executive:

David Blumberg
32 Alpine Road
Greenwich, CT 06830

With a copy in the same manner to:

Berkowitz, Trager & Trager, LLC
747 Third Avenue, 23rd Floor
New York, New York 10017
Attention: Steven T. Gersh, Esq.

20. Paragraph Headings. Paragraph headings in this Agreement are included for convenience of reference only and shall not be a part of this Agreement for any other purpose.

21. Joint Draft. The Parties each participated in the drafting of this Agreement after consulting with counsel. Therefore, the language of this Agreement shall not be presumptively construed in favor of or against either of the Parties.

22. Opportunity for Review. The Executive represents and warrants that he: (i) understands that he is entitled to at least twenty-one (21) days in which to consider this Agreement and has had sufficient opportunity to consider this Agreement; (ii) has read this Agreement; (iii) understands all of the terms and conditions hereof; (iv) is not incompetent and has not had a guardian, conservator or trustee appointed for him; (v) has entered into this Agreement of his own free will and volition; (vi) has duly executed and delivered this Agreement; (vii) has had the opportunity to review this Agreement with counsel of his choice or has chosen voluntarily not to do so; and (viii) understands that this Agreement is valid, binding and enforceable against the Parties in accordance with its terms.

23. Revocation. This Agreement shall become effective as of the date of this Agreement (the "Effective Date"). After the Effective Date, the Executive shall have seven (7) days (the "Revocation Period") to revoke this Agreement, in writing, by delivering such written revocation to Iconix c/o General Counsel, on or before the seventh (7th) day after the Effective Date. If the last day of the Revocation Period falls on a Saturday, Sunday or national holiday, the last day of the Revocation Period will be deemed to be the next business day.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties hereto have entered into and executed this Separation Agreement as of the date below their respective signatures.

BY SIGNING THIS AGREEMENT THE UNDERSIGNED ACKNOWLEDGES THE FOLLOWING:

1. I HAVE READ AND UNDERSTAND THIS AGREEMENT;

2. I HAVE TAKEN THE TIME NECESSARY TO REVIEW THIS AGREEMENT IN ITS ENTIRETY AND FULLY UNDERSTAND THIS AGREEMENT;

3. I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY OF MY CHOOSING REGARDING THE EXECUTION OF THIS AGREEMENT; AND

4. I FULLY UNDERSTAND THIS AGREEMENT, ACCEPT IT, AGREE TO IT, AND AGREE THAT IT IS FULLY BINDING UPON ME FOR ALL PURPOSES; AND

5. I HAVE ELECTED TO EXECUTE THIS AGREEMENT TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO HAVE ICONIX PAY ME THE CONSIDERATION REFERRED TO IN THIS AGREEMENT, AND I FREELY AND KNOWINGLY ENTER INTO THIS AGREEMENT, AFTER DUE CONSIDERATION, INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS I HAVE OR MAY HAVE AGAINST THE RELEASED PARTIES UP TO THE PRESENT.

/s/ David Blumberg
DAVID BLUMBERG

ICONIX BRAND GROUP, INC.

By: /s/ John N. Haugh
Name: John N. Haugh
Title: Chief Executive Officer

EXHIBIT A

GENERAL RELEASE AND WAIVER

THIS GENERAL RELEASE AND WAIVER (this "Release") is entered into effective as of December 15, 2016, by DAVID BLUMBERG (the "Executive") in favor of ICONIX BRAND GROUP, INC. (the "Company"). Capitalized terms appearing, but not defined, in this Release shall have the meaning ascribed to such terms in the Employment Agreement entered into between the Company and the Executive on February 24, 2016 (the "Employment Agreement").

1. Confirmation of Termination. The Executive's employment with the Company is terminated as of the date hereof (the "Termination Date"). The Executive acknowledges that the Termination Date is the termination date of his employment for purposes of participation in and coverage under all benefit plans and programs sponsored by or through the Company. The Executive acknowledges and agrees that the Company shall not have any obligation to rehire the Executive, nor shall the Company have any obligation to consider him for employment, after the Termination Date. The Executive agrees that he will not seek employment with the Company at any time in the future.

2. Resignation. Effective as of the Termination Date, the Executive hereby resigns as an officer and, if applicable, director of the Company and any of its affiliates and from any such positions held with any other entities at the direction or request of the Company or any of its affiliates. The Executive agrees to promptly execute and deliver such other documents as the Company shall reasonably request to evidence such resignations. In addition, the Executive hereby agrees and acknowledges that the Termination Date shall be the date of his termination from all other offices, positions, trusteeships, committee memberships and fiduciary capacities held with, or on behalf of, the Company or any of its affiliates.

3. Termination Benefits. The Executive acknowledges and agrees that the amounts payable and benefits to be provided to the Executive pursuant to the Separation Agreement dated as of December 14, 2016 (the "Separation Agreement) exceed any payment, benefit or other thing of value to which the Executive might otherwise be entitled under any policy, plan or procedure of the Company and/or any agreement between the Executive and the Company.

4. General Release and Waiver. In consideration of the Company entering into the Separation Agreement and making the payments and providing the benefits to the Executive set forth therein and for other good and valuable consideration, receipt of which is hereby acknowledged, the Executive for himself and for his heirs, executors, administrators, trustees, legal representatives and assigns (collectively, the "Releasors"), hereby releases, remises and acquits the Company and its affiliates and all of their respective past, present and future parent entities, subsidiaries, divisions and affiliates, any of their successors and assigns, assets, employee benefit plans or funds, and any of their respective past and/or present directors, officers, fiduciaries, agents, trustees, administrators, managers, supervisors, shareholders, investors, employees, legal representatives, agents, counsel and assigns, whether acting on behalf of the Company or its affiliates or in their individual capacities (collectively, the "Releasees" and

each a "Releasee"), from any and all claims, known or unknown, and whether or not discoverable, which the Releasors have or may have against any Releasee arising on or prior to the date of this Release and any and all liability which any such Releasee may have to the Executive, whether denominated claims, demands, causes of action, obligations, damages or liabilities arising from any and all bases, however denominated, including, but not limited to: (a) any claim under the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993, the Civil Rights Act of 1964, the Civil Rights Act of 1991, Section 1981 of the Civil Rights Act of 1866, the Equal Pay Act, the Immigration Reform and Control Act of 1986, the Employee Retirement Income Security Act of 1974 (excluding claims for accrued, vested benefits under any employee benefit or pension plan of the Company, subject to the terms and conditions of such plan and applicable law), the Sarbanes-Oxley Act of 2002, all as amended; (b) any claim under the New York State Human Rights Law, New York City Human Rights Law, New York Equal Pay Law and N.Y. Lab. Law, Sections 201-c (adoptive parent leave) and 740 (whistle blower statute), all as amended; (c) any claim under any other Federal, state or local law and any workers' compensation or disability claims under any such laws; and (d) any claim for attorneys' fees, costs, disbursements and/or the like. This Release includes, without limitation, any and all claims arising from or relating to the Executive's employment relationship with Company and his service relationship as an officer or director of the Company, or as a result of the termination of such relationships. The Executive further agrees that the Executive will not file or permit to be filed on the Executive's behalf any such claim. Notwithstanding the preceding sentence or any other provision of this Release, this Release is not intended to interfere with the Executive's right to file a charge with the Equal Employment Opportunity Commission ("EEOC") in connection with any claim he believes he may have against any Releasee. However, by executing this Release, the Executive hereby waives the right to recover in any proceeding the Executive may bring before the EEOC or any state human rights commission or in any proceeding brought by the EEOC or any state human rights commission on the Executive's behalf. This Release is for any relief, no matter how denominated, including, but not limited to, injunctive relief, wages, back pay, front pay, compensatory damages, or punitive damages. This Release shall not apply to: (i) the obligation of the Company to make the payments and provide the benefits to the Executive set forth in the Separation Agreement; (ii) the Executive's rights to indemnification from the Company or rights to be covered under any applicable insurance policy with respect to any liability the Executive incurred or might incur as an employee, officer or director of the Company including, without limitation, the Executive's rights under Section 8 of the Employment Agreement; or (iii) any right the Executive may have to obtain contribution as permitted by law in the event of entry of judgment against the Executive as a result of any act or failure to act for which the Executive, on the one hand, and Company or any other Releasee, on the other hand, are jointly liable.

5. Continuing Covenants. The Executive acknowledges and agrees that he remains subject to the provisions of Section 6 (Confidentiality) and Section 7 (Noncompetition; Nonsolicitation) of the Employment Agreement which shall remain in full force and effect for the periods set forth therein.

6 . No Admission; No Claims; No Knowledge of Illegal Action. This Release does not constitute an admission of liability or wrongdoing of any kind by the Executive, the Company or any other Releasee. This Release is not intended, and shall not be construed, as an admission that the Executive or any Releasee has violated any Federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract or committed any wrong whatsoever against any Releasor. The Executive confirms that no claim, charge or complaint against the Company or any other Releasee brought by him exists before any Federal, state, or local court or administrative agency. The Executive represents and warrants that he has no knowledge of any improper or illegal actions or omissions by the Company that he has not disclosed to the Company, nor does he know of any basis, that he has not disclosed to the Company, on which any third party or governmental entity could reasonably assert such a claim. This expressly includes any and all conduct that potentially could give rise to claims under the Sarbanes-Oxley Act of 2002.

7 . Successors and Assigns. The terms of this Release shall be binding upon and inure to the benefit of the parties named herein and their respective heirs, executors, administrators, successors and permitted assigns.

8 . Miscellaneous. This Release will be construed and enforced in accordance with the laws of the State of New York without regard to the principles of conflicts of law. If any provision of this Release is held by a court of competent jurisdiction to be illegal, void or unenforceable, such provision shall have no effect; however, the remaining provisions will be enforced to the maximum extent possible. The parties acknowledge and agree that, except as otherwise set forth herein, this Release constitutes the complete understanding between the parties with regard to the matters set forth herein and, except as otherwise set forth herein, supersedes any and all agreements, understandings and discussions, whether written or oral, between the parties. No other promises or agreements are binding unless in writing and signed by each of the parties after the Release Effective Date (as defined below). Should any provision of this Release require interpretation or construction, it is agreed by the parties that the entity interpreting or constructing this Release shall not apply a presumption against one party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared the document.

9. Knowing and Voluntary Waiver. The Executive acknowledges that he: (a) has carefully read this Release in its entirety; (b) has had an opportunity to consider it for at least twenty-one (21 days; (c) is hereby advised by the Company in writing to consult with an attorney of his choosing in connection with this Release; (d) fully understands the significance of all of the terms and conditions of this Release and has discussed them with his independent legal counsel, or had a reasonable opportunity to do so; (e) has had answered to his satisfaction any questions he has asked with regard to the meaning and significance of any of the provisions of this Release and has not relied on any statements or explanations made by any Releasee or their counsel; (f) understands that he has seven (7) days in which to revoke this Release (as described in Paragraph 10 below) after signing it; and (g) is signing this Release voluntarily and of his own free will and agrees to abide by all the terms and conditions contained herein.

10. Effective Time of Release. The Executive may accept this Release by signing it and returning it to Iconix Brand Group, Inc., 1450 Broadway, 4th Floor, New York, New York, Attention: John Haugh, President and Chief Executive Officer within twenty-one (21) days of his receipt of the same. After executing this Release, the Executive will have seven (7) days (the "Revocation Period") to revoke this Release by indicating his desire to do so in writing delivered to the General Counsel of the Company at the address above (or by fax at (212 391-2057) by no later than 5:00 p.m. EST on the seventh (7th) day after the date he signs this Release. The effective date of this Release shall be the eighth (8th) day after the Executive signs this Release (the "Release Effective Date"). If the last day of the Revocation Period falls on a Saturday, Sunday or holiday, the last day of the Revocation Period will be deemed to be the next business day. If the Executive does not execute this Release or exercises his right to revoke hereunder, he shall forfeit his right to receive any of the payments and the benefits to be provided by the Company pursuant to the Separation Agreement (other than pursuant to Paragraph 2(B) thereof), and to the extent such payments have already been provided, the Executive agrees that he will immediately reimburse the Company for the amounts of such payments.

IN WITNESS WHEREOF, the Executive has duly executed this General Release and Waiver as of the date first set forth above.

EXECUTIVE:

_____

David Blumberg

Exhibit 10.64

EXECUTION COPY

ASSET PURCHASE AGREEMENT

BY AND AMONG

ICONIX BRAND GROUP, INC.,

360 HOLDINGS II-A LLC,

ICON NY HOLDINGS LLC,

ICONIX LATIN AMERICA LLC

AND

SHARPER IMAGE HOLDINGS LLC

DATED DECEMBER 23, 2016

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ANNEXES

Annex A – International Joint Venture Territories and Asset Purchase Prices

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "**Agreement**") is dated December 23, 2016 by and among Icon NY Holdings LLC, a limited liability company organized under the Laws of the State of Delaware ("**Icon NY**"), Iconix Latin America LLC, a limited liability company organized under the Laws of the State of Delaware ("**Iconix Latin America**"), Sharper Image Holdings LLC, a limited liability company organized under the Laws of the State of Delaware ("**Sharper Image Holdings**", together with Icon NY and Iconix Latin America, "**Sellers,**" and each, a "**Seller**"), 360 Holdings II-A LLC, a limited liability company organized under the Laws of the State of Delaware ("**Purchaser**") and, solely for purposes of Section 4.1(b), Section 4.2(c), Section 4.2(d), Section 4.5(d), Section 4.9, Section 4.10, Section 6.2(b), Section 6.4, Section 6.10, Section 6.11, Section 7.1, Section 7.3, Article VIII, and Article X, Iconix Brand Group, Inc., a Delaware corporation ("**Parent**").

W I T N E S S E T H:

WHEREAS, Sellers collectively own all of the Purchased Assets and are engaged, directly or indirectly, in the Business, as this and other capitalized terms used in this Agreement are defined in Section 1.1;

WHEREAS, Parent owns fifty percent (50%) of the Equity Interests in each International JV, each of which has certain rights and interests in certain JV Assets;

WHEREAS, upon the terms and subject to the conditions of this Agreement, the parties hereto desire that (a) Purchaser purchase and Sellers sell or cause to be sold, transferred, conveyed and assigned to Purchaser, the Purchased Assets, and Purchaser assume the Assumed Liabilities, on the Closing Date (the "**Purchase**") and (b) Purchaser purchase and Parent use commercially reasonable efforts to sell or cause to be sold, transferred, conveyed and assigned to Purchaser, the JV Assets, and Purchaser assume the JV Liabilities, on or after the Closing Date; and

WHEREAS, concurrently with the execution and delivery of this Agreement, and as an inducement to Parent and Sellers to enter into this Agreement, 360 Holdings I Corp. (the "**Guarantor**") has executed and delivered a limited guaranty in favor of Parent and Sellers (the "**Limited Guaranty**") pursuant to which the Guarantor is guaranteeing certain obligations of Purchaser subject to, and in accordance with, the terms set forth therein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants, representations, warranties and agreements herein contained, the parties, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS; CONSTRUCTION

1.1 Defined Terms. When used in this Agreement, the following terms shall have the respective meanings specified therefor below:

"**Affiliate**" of any Person shall mean any other Person directly or indirectly controlling, controlled by, or under common control with, such Person; provided, that for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by Contract or otherwise.

"**Antitrust Authorities**" shall mean the Federal Trade Commission, the Antitrust Division of the United States Department of Justice, the attorneys general of the several states of the United States and any other Governmental Entity having jurisdiction with respect to the transactions contemplated hereby pursuant to applicable Antitrust Laws.

"**Antitrust Filings**" shall mean all required filings under the HSR Act and all required filings under other applicable Antitrust Laws required in order to consummate the transactions contemplated by this Agreement.

"**Antitrust Laws**" shall mean the Sherman Act, 15 U.S.C. §§ 1-7, as amended; the Clayton Act, 15 U.S.C. §§ 12-27, 29 U.S.C. §§ 52-53, as amended; the HSR Act; the Federal Trade Commission Act, 15 U.S.C. § 41-58, as amended; and all other Laws and Orders that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization, restraint of trade, or lessening of competition through merger or acquisition.

"**Assumed Contracts**" shall mean, subject to Section 2.6, all Contracts set forth in Section 1.1(a) of the Sellers Disclosure Letter under the heading "Assumed Contracts"; provided, that "Assumed Contracts" shall not include any Contract that will be fully performed or satisfied as of or prior to the Closing.

"**Business**" shall mean the business of Sellers of exploiting, promoting, advertising and licensing of the Intellectual Property primarily related to the SHARPER IMAGE brand.

"**Business Day**" shall mean any day except a Saturday, a Sunday or any other day on which commercial banks are required or authorized to close in New York, New York.

"**Camelot**" shall mean Camelot SI, LLC, a limited liability company organized under the laws of Michigan, with offices at 27725 Stansbury Boulevard, Suite 175, Farmington Hills, Michigan 48334.

"**Camelot Agreement**" shall mean the Website and Catalog Rights Purchase Agreement, dated as of June 30, 2014, by and between Icon NY and Camelot, as amended.

"**Code**" shall mean the United States Internal Revenue Code of 1986, as amended.

"**Confidentiality Agreement**" shall mean that certain Nondisclosure and Restrictive Covenant Agreement, dated as of August 9, 2016, by and between Parent and Purchaser.

"**Contract**" shall mean any written note, bond, mortgage, indenture, guaranty, license, franchise, permit, agreement, contract, commitment, lease, purchase order, or other instrument or obligation, and any amendments thereto.

"**Controlled IP Assets**" shall mean all Intellectual Property primarily related to the SHARPER IMAGE brand that is owned by Sellers in the United States, Latin America, China, India and Israel, which, for the avoidance of doubt, shall not include the JV Assets or the JV IP Assets. Controlled IP Assets do not include any Intellectual Property that is owned by one or more Sellers, but licensed to an International JV.

"**Controlled Registered Trademarks**" shall mean the trademark registrations and trademark applications related to the SHARPER IMAGE brand that are included within the Controlled Registered IP.

"**Deductible**" shall mean $1,000,000.00.

"**Equity Interests**" of any Person shall mean the shares, membership interests, partnership interests or other equity interests, as applicable, of such Person.

"**Escrow Agent**" shall mean Wilmington Trust, National Association.

"**Financing Facility**" shall mean that certain Base Indenture, dated as of November 29, 2012, by and among Icon Brand Holdings LLC, a Delaware limited liability company, Icon DE Intermediate Holdings LLC, a Delaware limited liability company, Icon DE Holdings LLC, a Delaware limited liability company, Icon NY, each as a Co-Issuer, and Citibank, N.A., a national banking association, as trustee and as securities intermediary.

"**Files and Records**" shall mean the files, documents, books and other records, including records generated from completed or active transactions (including billing, payment and dispute histories, credit information and similar data); business, financial records and correspondence; reports; drawings; specifications; process instructions and statistics; in each case, of Sellers or any of their respective Subsidiaries that relate primarily to the Controlled IP Assets and Assumed Contracts; provided, that Files and Records shall not include any information which, if transferred to Purchaser or its Affiliates, would (a) violate applicable Law,

(b) violate any confidentiality or other agreement or obligation or (c) be reasonably likely to cause the waiver of any attorney/client or similar privilege; provided, further, that in the case of the foregoing clause (b), Sellers shall use their commercially reasonable efforts to remove any such restrictions to allow for the transfer of such information.

"**GAAP**" shall mean generally accepted accounting principles of the United States of America consistently applied, as in effect from time to time.

"**Governmental Entity**" shall mean any United States or non-United States federal, state, territory, provincial or local court, arbitral tribunal, administrative agency or commission or other governmental or regulatory agency or authority or any securities exchange.

"**HSR Act**" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. § 18a et seq., as amended, and the rules and regulations promulgated thereunder.

"**Intellectual Property**" shall mean any and all intellectual property rights, including rights in or with respect to any and all of the following: (a) patents; (b) trademarks, service marks, trade dress, logos, slogans, design rights, and brand names and other indicia of origin whether registered of unregistered, and all associated goodwill; (c) copyrights; (d) all registrations and applications for any of the foregoing; (e) social media handles; (f) trade secrets and other confidential information; and (g) Internet domain name registrations.

"**International JVs**" shall mean Iconix Australia LLC, ICO Brands L.P., Iconix MENA Ltd. and Iconix SE Asia Ltd.

"**IRS**" shall mean the United States Internal Revenue Service.

"**Joint Venture Territories**" shall mean the geographic locations assigned to each International JV as set forth on Annex A, as amended from time to time by mutual agreement of Sellers and Purchaser.

"**JV Jurisdiction Royalties**" means royalties that become due and payable in respect of any Joint Venture Territory prior to the Post-Closing Acquisition or Synthetic Acquisition for such Joint Venture Territory by (a) Camelot pursuant to Section 9 of the Camelot Agreement and, if applicable (b) any other licensees under the Assumed Contracts.

"**JV Assets**" shall mean all JV IP Assets together with the license Contracts of the International JVs set forth in Section 1.1(b) of the Sellers Disclosure Letter and any additional license Contracts that are entered into by the applicable International JV following the date of this Agreement and prior to the Post-Closing Acquisition for such Joint Venture Territory in a manner consistent with the terms of this Agreement.

"**JV IP Assets**" shall mean all Intellectual Property solely related to the SHARPER IMAGE brand that is owned by or exclusively licensed to the International JVs in the territories set forth on Annex A attached hereto, which, for the avoidance of doubt, shall not include the Controlled IP Assets. JV IP Assets include Intellectual Property solely related to the SHARPER IMAGE brand that is owned by one or more Sellers and exclusively licensed to the International JVs in their respective territories.

"**Law**" shall mean any statute, law, ordinance, rule or regulation of any Governmental Entity and all judicial interpretations thereof and any common law doctrine.

"**Liabilities**" shall mean any and all indebtedness, liabilities and obligations, whether accrued or fixed, known or unknown, absolute or contingent, matured or unmatured or determined or determinable.

"**Liens**" shall mean any liens, security interests, claims, easements, mortgages, charges, indentures, deeds of trust, rights of way, encroachments, or any other encumbrances and other restrictions or limitations on ownership or use real or personal property or irregularities in title thereto.

"**Loss**" or "**Losses**" shall mean, without duplication, any and all judgments, awards, claims, Liabilities, interest and penalties, losses, costs, expenses or damages, including, without limitation, losses resulting from the defense, settlement and/or compromise of a claim and/or demand and/or assessment, reasonable, out-of-pocket and documented attorneys', accountants' and expert witnesses' fees and expenses, costs and expenses of investigating, and the costs and expenses of enforcing the rights provided in this Agreement.

"**Material Adverse Effect**" shall mean any change, effect, event, development, fact, condition, circumstance, or occurrence (each, an "**Effect**") that, individually or in the aggregate, has had, or would reasonably be expected to have, a material adverse effect on the business, condition (financial or otherwise) or results of operations of the Business, taken as a whole; provided, that no Effect resulting from any of the following shall constitute a Material Adverse Effect or be considered in determining whether a Material Adverse Effect has occurred:

(a) general economic, business or political conditions;

(b) conditions or changes in the securities markets, credit markets, currency markets or other financial markets in the United States or any other country or region in the world, including (i) interest rates in the United States or any other country or region in the world and exchange rates for the currencies of any countries and (ii) any suspension of trading in securities (whether equity, debt, derivative or hybrid securities) generally on any securities exchange or over-the-counter market operating in the United States or any other country or region in the world;

(c) any applicable Laws or interpretations thereof by any Governmental Entity or accounting rules (or interpretations thereof);

(d) any communication by Purchaser of its plans or intentions with respect to the Business or any portion thereof;

(e) the pendency or consummation of the transactions contemplated by this Agreement or any actions or inactions by Purchaser or Sellers or any of their respective Subsidiaries taken or omitted in accordance with this Agreement;

(f) political conditions in the United States or any other country or region in the world or any natural or man-made disaster or any acts of terrorism, sabotage, military action or war (whether or not declared) or any escalation or worsening thereof;

(g) any failure, in and of itself, by Parent, Sellers or the Business (or any portion thereof) to meet any published analyst estimates or expectations of revenue, earnings or other financial performance or results of operations of all or any portion of the Business for any period, or any failure, in and of itself, to meet internal or published projections, budgets, plans or forecasts of revenues, earnings or other financial performance or results of operations of all or any portion of the Business for any period (it being agreed and understood that any fact or circumstance giving rise to any failure described in this clause (g) may be taken into account in determining whether a Material Adverse Effect has occurred); or

(h) any action taken or not taken at the request of, or with the written consent or waiver of Purchaser

provided, that with respect to clauses (a), (b), (c) and (f), to the extent that such effects do not have a materially disproportionate impact on the Business, taken as a whole, relative to other companies in the industries in which the Business is operated.

"**Order**" shall mean any judgment, order, injunction, decree, writ, permit or license of any Governmental Entity or any arbitrator.

"**Permitted Liens**" shall mean (a) Liens set forth in Section 1.1(c) of the Sellers Disclosure Letter, (b) the Assumed Contracts, (c) all restrictions and encumbrances resulting from filing or recordation requirements concerning the transfer or ownership of Intellectual Property which arise as a matter of Law and do not materially impair or limit the use of the subject Intellectual Property, and (d) Liens created by this Agreement or the transactions contemplated hereby.

"**Person**" shall mean and include an individual, a partnership, a limited partnership, a limited liability partnership, a joint venture, a corporation, a limited liability company, an association, a trust, an unincorporated organization, a group and a Governmental Entity.

"**Post-Closing Period**" shall mean all taxable years or other taxable periods that begin on or after the Closing Date and, with respect to any Straddle Period, the portion thereof beginning on the Closing Date.

"**Pre-Closing Period**" shall mean all taxable years or other taxable periods that end before the Closing Date and, with respect to any Straddle Period, the portion thereof ending before the Closing Date.

"**Qualifying Loss**" shall mean any individual Loss in excess of $25,000.

"**Representatives**" of any Person shall mean such Person's directors, managers, officers, employees, agents, attorneys, consultants, advisors or other Persons acting on behalf of such Person.

"**Returns**" shall mean any and all returns, reports, forms (including elections, declarations, amendments, claims for refund, schedules, information returns or attachments thereto) and any other documents filed or required to be filed with a Taxing Authority with respect to Taxes.

"**SEC**" shall mean the United States Securities and Exchange Commission.

"**Sellers' Taxes**" shall mean all Taxes of Sellers, and all Taxes attributable to the Business and the Purchased Assets in respect of all Pre-Closing Periods (for the avoidance of doubt, not including any Transfer Taxes borne by Purchaser pursuant to Section 6.7(a)).

"**Straddle Period**" shall mean any taxable year or other taxable period beginning before and ending after the Closing Date.

"**Subsidiary**", with respect to any Person, shall mean (a) any corporation more than fifty percent (50%) of the stock of any class or classes of which having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is owned by such Person directly or indirectly through one or more subsidiaries of such Person and (b) any partnership, association, joint venture, limited liability company or other entity in which such Person directly or indirectly through one or more subsidiaries of such Person has more than a fifty percent (50%) Equity Interest; provided, that for the avoidance of doubt, the International JVs shall not be considered Subsidiaries of Parent or Sellers.

"**Tax**" (or "**Taxes**") shall mean (i) all taxes, assessments, charges, duties, fees, levies or other governmental charges imposed by a Taxing Authority, including all federal, state, territory, local, foreign and other income, franchise, profits, gross receipts, capital gains, capital stock, transfer, sales, use, value added, ad valorem, occupation, property, excise, severance, windfall profits, stamp, license, payroll, employment, unemployment, disability, social security, withholding, escheat, environmental, customs duty, estimated and other taxes, assessments, charges, duties, fees, levies or other governmental charges imposed by any Taxing Authority of any kind whatsoever (whether payable directly or by withholding and whether or not requiring the filing of a Return), together with any penalties and interest and any additional amounts with respect thereto, and (ii) any Liability arising under any tax sharing agreement or any Liability for any items described in clause (i) above of another Person by Contract, as a transferee or successor, under U.S. Treasury Regulations Section 1.1502-6 (or corresponding or similar provisions of state, local or foreign Law), whether disputed or not.

"**Tax Contest**" shall mean any audit, hearing, proposed adjustment, arbitration, deficiency, assessment, suit, dispute, claim, proceeding or other litigation commenced, filed or otherwise initiated or convened to investigate or resolve the existence and extent of a liability for Taxes.

"**Taxing Authority**" shall mean any Governmental Entity responsible for or having jurisdiction over the assessment, determination, collection or other imposition of Taxes.

"**Third Party**" shall mean any Person other than Sellers, Parent, Purchaser or any of their respective Affiliates.

1.2 Additional Defined Terms. In addition to the terms defined in Section 1.1, additional defined terms used herein shall have the respective meanings assigned thereto in the Sections indicated below.

Defined Term	Section
Agreed Claims	8.6(d)
Agreement	Preamble
Allocation	3.2(a)
Anti-Corruption Laws	4.8(b)
Assumed Liabilities	2.3
Canadian JV End Date	6.10(b)
Claim Certificate	8.6(a)
Closing	3.3(a)
Closing Amount	3.1(a)
Closing Date	3.3(a)
Collateral Source	8.5(a)
Controlled Registered IP	4.12
Effect	1.1
End Date	9.1(b)(ii)
Escrow Account	6.10(c)
Escrow Agreement	3.1(b)
Excluded Assets	2.2
Excluded Liabilities	2.4
Final Reconciliation	2.7(a)
Fundamental Representations	8.1
General Cap	8.4
Guarantor	Recitals
Icon NY	Preamble
Iconix Latin America	Preamble
Indemnified Party	8.6(a)
Indemnifying Party	8.6(a)
JV Asset Amount	3.1(b)
JV Asset Closing	2.6(b)
JV Asset Purchase Price	6.10(a)
JV Business	6.2(b)
JV Liabilities	6.10(a)
Knowledge of Parent	1.5
Knowledge of Purchaser	1.5
Knowledge of Sellers	1.5
Limited Guaranty	Recitals
Parent	Preamble

Post-Closing Acquisition	6.10(a)
Post-Closing Acquisition End Date	6.10(b)
Purchase	Recitals
Purchase Price	3.1
Purchased Assets	2.1
Purchaser	Preamble
Purchaser Disclosure Letter	Article V
Purchaser Indemnitees	8.2
Remaining JV Escrow Amount	6.10(b)
Royalties	2.7(a)
Seller Indemnitees	8.3
Sellers	Preamble
Sellers Disclosure Letter	Article IV
Sharper Image Holdings	Preamble
Synthetic Acquisition	6.10(b)
Top Licensees	4.13
Third-Party Claim	8.7(a)
Transfer Taxes	6.7(a)

1.3 Construction. In this Agreement, unless the context otherwise requires:

(a) references to "writing" or comparable expressions include a reference to facsimile transmission or comparable means of communication (including electronic mail; provided, that the sender complies with the provisions of Section 10.3);

(b) the phrases "delivered" or "made available" shall mean that the information referred to has been physically or electronically delivered to the relevant parties (including, in the case of "made available" to Purchaser or its Representatives, material that has been posted, retained and thereby made available to Purchaser or its Representatives through any on-line "virtual data room" established by Parent);

(c) words expressed in the singular number shall include the plural and vice versa; words expressed in the masculine shall include the feminine and neuter gender and vice versa;

(d) references to Annexes, Articles, Sections, Sections of the Sellers Disclosure Letter, Sections of the Purchaser Disclosure Letter, Exhibits, the Preamble and Recitals are references to annexes, articles, sections, exhibits, the preamble and recitals of this Agreement, and the disclosure letters delivered with respect to this Agreement, and the descriptive headings of the several Articles and Sections of this Agreement, the Sellers Disclosure Letter and the Purchaser Disclosure Letter (as applicable) are inserted for convenience only, do not constitute a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement;

(e) references to "day" or "days" are to calendar days;

(f) the words "hereof", "herein", "hereto" and "hereunder", and words of similar import, shall refer to this Agreement as a whole and not to any provision of this Agreement;

(g) this "Agreement" or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented;

(h) "include", "includes", and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of similar import; and

(i) references to "Dollars", "dollars" or "$", without more are to the lawful currency of United States of America.

1.4 Annexes, Exhibits and the Disclosure Letters. The Annexes, Exhibits, the Sellers Disclosure Letter and the Purchaser Disclosure Letter are incorporated into and form an integral part of this Agreement.

1.5 Knowledge. When any representation, warranty, covenant or agreement contained in this Agreement is expressly qualified by reference to the "**Knowledge of Sellers**" or "**Knowledge of Parent**" or words of similar import, it shall mean the actual knowledge of the individuals set forth in Section 1.5 of the Sellers Disclosure Letter after such reasonable inquiry as such individuals would normally conduct in the ordinary course of their duties to Parent or Sellers, as applicable. When any representation, warranty, covenant or agreement contained in this Agreement is expressly qualified by reference to the "**Knowledge of Purchaser**" or words of similar import, it shall mean the actual knowledge of the individuals set forth in Section 1.5 of the Purchaser Disclosure Letter after such reasonable inquiry as such individuals would normally conduct in the ordinary course of their duties to Purchaser.

ARTICLE II

SALE OF PURCHASED ASSETS AND ASSUMPTION OF ASSUMED LIABILITIES

2.1 Sale of Purchased Assets. On the terms and subject to the conditions of this Agreement, including as set forth in Section 2.6, Purchaser agrees to purchase from each Seller, and each Seller agrees to sell, convey, transfer, assign and deliver, or cause to be sold, conveyed, transferred, assigned and delivered, to Purchaser, at the Closing, such Seller's right, title and interest to the Purchased Assets free and clear of any Liens of any kind whatsoever except Permitted Liens. The "**Purchased Assets**" shall mean all the right, title and interest of each Seller in and to the following assets (other than any such assets specifically excluded pursuant to Section 2.2); provided, that the definition of Purchased Assets shall not include any patents, patent applications, copyright registrations, or applications for copyright registrations for purposes of any representations, warranties, covenants, agreements or obligations, express or implied, except for the obligation of each Seller to sell, convey, transfer and assign at the Closing such Seller's right, title and interest to such patents, patent applications, copyright registrations, or applications for copyright registrations that are included in the Controlled IP Assets to Purchaser (subject to the conditions to such obligations provided in this Agreement):

(a) all Controlled IP Assets;

(b) each Seller's right, title and interest in each Assumed Contract;

(c) sales literature, promotional literature, and other selling and advertising materials used in connection with the Business, in each case whether in hard copy or electronic format:

(d) each Seller's claims, causes of action and other legal rights and remedies (other than claims, causes of action and other legal rights and remedies (i) against Purchaser with respect to the transactions contemplated herein (including the right of Parent or Sellers to any payment or credit hereunder, including pursuant to any royalty reconciliation under Section 2.7), or (ii) that constitute Excluded Assets) relating primarily to the Purchased Assets or the Assumed Liabilities;

(e) all goodwill related to the Business (other than goodwill related to the Excluded Assets); and

(f) all Files and Records, whether in hard copy or electronic format, which are not described in Section 2.2(h).

2.2 Excluded Assets. Notwithstanding anything herein to the contrary, the Purchased Assets shall not include any of the following assets, whether owned by, held by or relating to any Seller or any of its Subsidiaries, and nothing herein contained shall be deemed to sell, convey, transfer, assign or deliver to Purchaser, and Sellers and their respective Affiliates shall retain, all right, title and interest in, to and under all assets, properties, interests and rights of Sellers and their respective Affiliates (other than the Purchased Assets), including each of the following assets (collectively, the "**Excluded Assets**"):

(a) cash, certificates of deposit and other cash equivalents, accounts receivable and pre-paid assets of the Business (except as provided otherwise in Section 2.7(b)(i));

(b) rights under the Contracts to which Parent or any Seller is a party, which are not Assumed Contracts;

(c) all rights to the name "Iconix" and related trademarks, service marks, trade dress, domain names and other indicia of origin and any other indicia of origin that is confusingly similar to the foregoing;

(d) all rights in and to all Intellectual Property of Parent and its Subsidiaries that is not included within the Controlled IP Assets;

(e) all amounts owed by Camelot to Icon NY pursuant to the Camelot Agreement and remedies related thereto as part of the purchase price for all assets purchased thereunder (regardless of whether such amounts are payable before or after the Closing Date) which are further described in Section 5 of the Camelot Agreement and the amendments thereto, and which, for the avoidance of doubt, shall not include any royalties payable thereunder other than JV Jurisdiction Royalties;

(f) JV Jurisdiction Royalties and remedies related thereto;

(g) all royalties or other amounts, with respect to the period prior to the Closing, owed by the licensees under the Assumed Contracts that have not been paid to the Sellers prior to Closing (for the avoidance of doubt, this includes MerchSource, LLC) as determined pursuant to Section 2.7;

(h) general books of account and books of original entry that comprise Parent's, Sellers' or their respective Affiliates' permanent Tax records, corporate minute books, stock books and related organizational documents and the Files and Records that Sellers are required to retain pursuant to any Law or Order (including, for the avoidance of doubt, for purposes of complying with federal or state securities Laws or as otherwise required by the SEC) and the Files and Records related exclusively to the Excluded Assets or Excluded Liabilities;

(i) all claims for refund or credit of Taxes and other Governmental Entity charges of whatever nature that are attributable to any Pre-Closing Period;

(j) Sellers' claims against Purchaser with respect to the Purchase (including under this Agreement) or relating to the Excluded Assets or the Excluded Liabilities or otherwise;

(k) all claims, defenses and rights of offset or counterclaim (at any time or in any manner arising or existing, whether choate or inchoate, known or unknown, contingent or non-contingent) relating to any of the Excluded Assets or Excluded Liabilities;

(l) all Third Party warranties, indemnities and guarantees in relation to any of the Purchased Assets, except for any rights arising from any such Third Party warranties, indemnities and guarantees included in any Assumed Contract that are the result of any event, development or occurrence that occurs after the Closing;

(m) all assets of Sellers and their respective Affiliates and Subsidiaries not primarily used in or primarily relating to the Business; and

(n) the assets, properties, interests and rights of the International JVs.

Other than pursuant to Section 2.7(b), in no event shall Purchaser be entitled to (A) recover from Parent or Sellers any guaranteed minimum royalties, earned royalties or overage royalties paid under the Assumed Contracts prior to the Closing or (B) claim a credit with respect to any earned royalties or overage royalties against any guaranteed minimum royalties received by Parent or Sellers prior to the Closing, regardless of whether the applicable licensee claims an offset or credit for guaranteed minimum royalties paid to Parent or Sellers prior to the Closing.

2.3 Assumption of Assumed Liabilities. On the terms and subject to the conditions of this Agreement, including Section 2.6, and except for the Excluded Liabilities set forth in Section 2.4 and as otherwise provided in Section 6.7 or Article VIII, Purchaser agrees, to assume and shall agree to pay, perform and discharge when due, effective at the Closing, all Liabilities of Parent, Sellers and/or their respective Subsidiaries arising out of the operation or conduct of the Business on or after the Closing Date with respect to the period from and after the Closing Date (collectively, the "**Assumed Liabilities**") including, the following:

(a) any Taxes for which Purchaser is responsible pursuant to Section 6.7; and

(b) all Liabilities with respect to the Purchased Assets.

2.4 Excluded Liabilities. Notwithstanding anything contained herein to the contrary, except as otherwise provided in Section 6.7 or Article VIII, Purchaser shall not assume, or cause to be assumed, or be deemed to have assumed or caused to have assumed or be liable or responsible for the following Liabilities of Parent, Sellers and/or their respective Subsidiaries (collectively, the "**Excluded Liabilities**"):

(a) any Liabilities arising out of the Excluded Assets;

(b) any Liabilities arising out of, or in connection with, any breach by Sellers or any of their respective Affiliates of any provision of any Assumed Contract;

(c) any Liabilities arising out of or relating to this Agreement for which Parent or Sellers have responsibility pursuant to the terms of this Agreement;

(d) any Liabilities arising out of or relating to any Contract which is not an Assumed Contract;

(e) any Liabilities for Sellers' Taxes; and

(f) any Liabilities arising out of the ownership or operation of the Business prior to the Closing.

2.5 Transfer of Purchased Assets and Assumed Liabilities. The Purchased Assets shall be sold, conveyed, transferred, assigned and delivered to Purchaser, free and clear of all Liens except for Permitted Liens, and the Assumed Liabilities shall be assumed by Purchaser, pursuant to transfer and assumption documentation as shall be necessary to effect the sale, conveyance, transfer and assignment of the Purchased Assets and an assumption of the Assumed Liabilities, which documents and instruments shall be executed (on the terms and subject to the conditions hereof) at the Closing by Sellers and Purchaser.

2.6 Required Consents. (a) Purchaser acknowledges that certain consents to the transactions contemplated by this Agreement may be required from Third Parties or Governmental Entities, and that such consents have not been and may not be obtained. Subject to the terms and conditions in Section 6.10, Purchaser agrees that none of Parent, Sellers or any of their respective Affiliates shall have any Liability whatsoever arising out of or relating to the failure to obtain any consents that may have been or may be required in connection with the transactions contemplated by this Agreement or because of the default under, or acceleration or termination of, any Assumed Contract or other Purchased Asset, as a result thereof. Subject to the terms and conditions in Section 6.10, Purchaser further agrees that no representation, warranty or covenant of Sellers contained herein shall be breached or deemed breached, and, other than the condition set forth in Section 7.1(c) or Section 7.2(c), no condition to Purchaser's obligations to close the transactions contemplated by this Agreement shall be deemed not satisfied as a result of (i) the failure to obtain any such consent or as a result of any such default, acceleration or termination or (ii) any lawsuit, action, claim or investigation commenced or threatened by or on behalf of any Person arising out of or relating to the failure to obtain any consent or any such default, acceleration or termination.

(b) Notwithstanding anything to the contrary contained in this Agreement and subject to Section 6.10, to the extent that the sale, conveyance, transfer, assignment or delivery or attempted sale, conveyance, transfer, assignment or delivery to Purchaser of any Purchased Asset or JV Asset, as applicable, is prohibited by any applicable Law or would require any Third Party or any Governmental Entity's authorization, approval, consent, negative clearance or waiver and such authorization, approval, consent, negative clearance or waiver shall not have been obtained prior to the Closing, this Agreement shall not constitute a sale, conveyance, transfer, assignment or delivery, or an attempted sale, conveyance, transfer, assignment or delivery of such Purchased Asset or JV Asset, as applicable. Following the Closing or any closing of any Post-Closing Acquisition (each, a "**JV Asset Closing**"), the parties hereto shall have a continuing obligation to use their commercially reasonable efforts to cooperate with each other and to obtain promptly all such authorizations, approvals, consents, negative clearances or waivers; provided, that none of Seller, Parent or any of their respective Affiliates shall be required to repay any indebtedness for borrowed money, amend any Contract to

increase the amount payable thereunder or otherwise to be materially more burdensome to any Seller, Parent or any of their respective Affiliates, commence any litigation, offer or grant any accommodation (financial or otherwise) to any Third Party or Governmental Entity, pay any amount or bear any other incremental economic burden to obtain any such authorization, approval, consent, negative clearance or waiver; and provided, further, that no party hereto shall incur any expense that would be payable by any other party hereto without the consent of such other party. Upon obtaining the requisite authorization, approval, consent, negative clearance or waiver, Sellers shall or shall cause the applicable International JV, as the case may be, to promptly convey, transfer, assign and deliver, or cause to be conveyed, transferred, assigned and delivered, such Purchased Asset or JV Asset, as the case may be, to Purchaser hereunder in accordance with and subject to the terms and conditions of this Agreement.

2.7 Reconciliation of Royalty Payments under Assumed Contracts. (a) Within ninety (90) days after the Closing Date, or as soon thereafter as reasonably practicable based on the reporting periods under each applicable Assumed Contract, Purchaser and Sellers (or Affiliates of Sellers) shall jointly prepare in good faith a written statement (the "**Final Reconciliation**") of the actual amount of any license fees, franchise fees, royalty fees, marketing fees, or other fees, payments, consideration or compensation ("**Royalties**"): (i) earned, but not yet collected, on or prior to the Closing Date by Sellers with respect to each Assumed Contract (including, for the avoidance of doubt, any past-due amounts or other accounts receivable related thereto); and (ii) collected by Sellers or Parent on or prior to the Closing Date with respect to each Assumed Contract, but earned for periods following the Closing Date.

(b) For purposes of the calculation described in Section 2.7(a) above, the Royalties with respect to each Assumed Contract shall be allocated to Parent or the applicable Seller or Purchaser as follows: (i) in respect of any Assumed Contract under which the Royalties accrued prior to the Closing Date do not exceed the guaranteed minimum Royalties payable thereunder, such Royalties shall be allocated pro rata between Parent or the applicable Seller or Purchaser, as the case may be, based on the percentage of the applicable royalty period under such Assumed Contract during which Parent or the applicable Seller and Purchaser owned such Assumed Contract; (ii) in respect of any Assumed Contract under which the Royalties accrued for a period exceed the minimum Royalties payable thereunder for such period, all such excess Royalties accrued for (A) any period prior to the Closing Date shall be allocated to Parent or the applicable Seller and (B) any period on or after the Closing Date shall be allocated to Purchaser; and (iii) in respect of any Assumed Contract that does not provide for the payment of guaranteed minimum Royalties, for (A) any period prior to the Closing Date, all Royalties shall be allocated to Parent or the applicable Seller and (B) any period on or after the Closing Date, all Royalties shall be allocated to Purchaser.

(c) If the Royalties earned, but not yet collected, by Parent or Sellers on or prior to the Closing Date under any Assumed Contract exceed the amount of the Royalties collected by Parent or Sellers as of the Closing Date under any such Assumed Contract, then with respect to such Assumed Contract, Purchaser shall remit the amount of the difference to Parent or Sellers by check or wire transfer within ten (10) days following the Final Reconciliation. If the Royalties collected by Parent or Sellers as of the Closing Date for periods after the Closing Date exceed the Royalties earned, but not yet collected, by Parent or Sellers on or prior to the Closing

Date, with respect to such Assumed Contract, Parent or Sellers shall remit the amount of the difference to Purchaser by check or wire transfer within ten (10) days of the Final Reconciliation.

(d) Until such time as the Royalties are remitted to Parent, Sellers or Purchaser, as applicable, in accordance with Section 2.7(c), Purchaser shall use reasonable efforts to collect (consistent with past practice), and shall in no event waive, write-off or extend the time for payment of, any Royalties owed to Sellers or the International JVs, as applicable, for periods prior to the Closing under any Assumed Contract or license Contract with an International JV.

ARTICLE III

PURCHASE PRICE

3.1 Purchase Price; Delivery of Funds. At the Closing, in full consideration for the sale and transfer by Sellers of the Purchased Assets and the JV Assets, Purchaser shall cause to be paid One Hundred Million Dollars $100,000,000.00 (the "**Purchase Price**") by wire transfer of immediately available funds as follows:

(a) Ninety-Eight Million, Two-Hundred and Fifty Thousand Dollars $98,250,000.00 shall be paid to Sellers (as allocated between each Seller as directed by Parent) in respect of the Purchased Assets (the "**Closing Amount**"); and

(b) One Million, Seven Hundred and Fifty Thousand Dollars $1,750,000.00 shall be paid to the Escrow Agent (such amount, without interest, the "**JV Asset Amount**") in respect of the JV Assets, which shall be held and disbursed pursuant to Section 6.10 and Section 6.11 and the terms of the escrow agreement in the form attached as Exhibit A hereto (the "**Escrow Agreement**").

3.2 Allocation of Purchase Price. (a) The sum of the Purchase Price, the Assumed Liabilities, and other relevant items (such as capitalizable costs) shall be allocated for U.S. federal income tax purposes (and any similar provision of state, local, or foreign Law) among the Purchased Assets in the manner required by Section 1060 of the Code (the "**Allocation**"). Within sixty (60) days following the Final Reconciliation, Purchaser shall prepare and deliver to Sellers for their review and approval IRS Form 8594 and any required exhibits thereto, setting forth the Allocation. If within thirty (30) days of receipt of the Allocation, Sellers notify Purchaser that they object to one or more items reflected on the Allocation, Sellers and Purchaser shall negotiate in good faith to resolve such dispute. If Sellers and Purchaser fail to resolve any such dispute within thirty (30) days of Purchaser's receipt of Sellers' notice, then Sellers and Purchaser shall submit the items of the Allocation in dispute for resolution to an independent valuation or accounting firm of international reputation mutually acceptable to Sellers and Purchaser, which shall, as soon as practicable after such submission, determine and report to Sellers and Purchaser its resolution of the Allocation. The report of such firm shall be final and binding upon the parties hereto. The fees for such firm shall be borne equally between Sellers, on the one hand, and Purchaser, on the other hand.

(b) Each of Purchaser and Sellers and their respective Affiliates shall, except to the extent required otherwise by a "determination," as defined in Section 1313 of the Code, (i) be bound by the Allocation, as finally determined, for all Tax purposes; (ii) prepare and file all Returns in a manner consistent with the Allocation, as finally determined; and (iii) take no position inconsistent with the Allocation, as finally determined, in any Return, Tax Contest or otherwise. In the event that the Allocation, as finally determined, is disputed by any Taxing Authority, the party receiving notice of such dispute shall promptly notify and consult with the other parties and keep the other parties apprised of material developments concerning resolution of such dispute. Each of Purchaser and Sellers hereby agrees to revise the Allocation to reflect any adjustment to the Purchase Price pursuant to this Agreement (including Section 8.9).

3.3 Closing; Closing Deliverables. (a) Subject to the satisfaction or waiver of all of the conditions set forth in Sections 7.1, 7.2 and 7.3, the closing of the Purchase (the "**Closing**") shall take place at the offices of White & Case LLP, 1155 Avenue of the Americas, New York, New York, 10036-2787, as soon as practicable, but in any event within two (2) Business Days, after the last of the conditions set forth in Sections 7.1, 7.2 and 7.3 is satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions), or at such other time, date or place as the parties hereto shall agree in writing. Such date is herein referred to as the "**Closing Date**".

(b) At the Closing, each Seller shall deliver or cause to be delivered to Purchaser:

(i) a certificate signed by an authorized officer of such Seller, dated as of the Closing Date, confirming the matters set forth in Sections 7.2(a) and 7.2(b);

(ii) a non-foreign person affidavit from each transferor under this Agreement (as determined under Section 1445 of the Code), dated as of the Closing Date, as required by Section 1445 of the Code, in a form and manner reasonably satisfactory to Purchaser;

(iii) counterparts to the trademark assignment agreement, or series of trademark assignment agreements for applicable jurisdictions, substantially in the form of Exhibit B hereto, duly executed by each Seller assigning the subject assets;

(iv) counterparts to the assignment and assumption agreement with respect to the transfer of the Purchased Assets and the assumption of the Assumed Liabilities, substantially in the form of Exhibit C hereto, duly executed by each Seller;

(v) counterparts to the patent assignment agreement, or series of patent assignment agreements for applicable jurisdictions, substantially in the form of Exhibit D hereto, duly executed by each Seller assigning the subject assets;

(vi) counterparts to the copyright assignment agreement, or series of copyright assignment agreements for applicable jurisdictions, substantially in the form of Exhibit E hereto, duly executed by each Seller assigning the subject assets; and

(vii) a written waiver, duly signed by Camelot, whereby Camelot waives, in connection with the transactions contemplated by this Agreement, the right of first

refusal under the that certain Website and Catalog Rights Purchase Agreement, dated as of June 30, 2014, by and between Icon NY and Camelot.

(c) At the Closing, Purchaser shall deliver or cause to be delivered to Sellers:

(i) the Closing Amount pursuant to Section 3.1(a);

(ii) a certificate signed by an authorized officer of Purchaser, dated as of the Closing Date, confirming the matters set forth in Sections 7.3(a) and 7.3(b);

(iii) counterparts to the Escrow Agreement, duly executed by Purchaser;

(iv) counterparts to the trademark assignment agreement, or series or trademark assignment agreements for applicable jurisdictions, substantially in the form of Exhibit B hereto, duly executed by Purchaser;

(v) counterparts to the assignment and assumption agreement with respect to the transfer of the Purchased Assets and the assumption of the Assumed Liabilities, substantially in the form of Exhibit C hereto, duly executed by Purchaser;

(vi) counterparts to the patent assignment agreement, or series of patent assignment agreements for applicable jurisdictions, substantially in the form of Exhibit D hereto, duly executed by Purchaser; and

(vii) counterparts to the copyright assignment agreement, or series of copyright assignment agreements for applicable jurisdictions, substantially in the form of Exhibit E hereto, duly executed by Purchaser.

(d) At the Closing, Purchaser shall deliver or cause to be delivered to the Escrow Agent, the JV Asset Amount pursuant to Section 3.1(b).

(e) At the Closing, Parent shall deliver to Purchaser and the Escrow Agent, a counterpart to the Escrow Agreement, duly executed by Parent.

3.4 Withholding. Purchaser shall be entitled to withhold from the Closing Amount Taxes required to be withheld as a result of a Seller's failure to provide the affidavit required pursuant to Section 3.3(b)(ii)), and any such withheld Taxes shall be deemed paid for all purposes of this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLERS AND PARENT

Except as set forth in the disclosure letter delivered by Sellers to Purchaser (the "**Sellers Disclosure Letter**") concurrently with the execution of this Agreement (it being agreed that any matter disclosed pursuant to any section of the Sellers Disclosure Letter shall be deemed disclosed for purposes of any other section of the Sellers Disclosure Letter to the extent the applicability of the disclosure to such other section is reasonably apparent on the face of such disclosure), each Seller and Parent hereby represent and warrant with respect to itself, to Purchaser as follows:

4.1 Due Organization, Good Standing and Corporate Power.

(a) Each Seller is duly organized, validly existing and in good standing under the Laws of the State of Delaware. Each Seller has all requisite corporate or similar power and authority to own, lease and operate the Business as now being conducted. Each Seller is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the Purchased Assets are owned by such Seller or the nature of the Business makes such qualification necessary, except such jurisdictions where the failure to be so qualified or licensed and in good standing does not and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Parent is duly organized, validly existing and in good standing under the Laws of the State of Delaware. Parent has all requisite corporate or similar power and authority to own, lease and operate its business as now being conducted. Parent is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business makes such qualification necessary, except such jurisdictions where the failure to be so qualified or licensed and in good standing does not and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

4.2 Authorization; Noncontravention

(a) Each Seller has the requisite corporate, limited liability company, partnership or similar power and authority, as applicable, and has taken all corporate, limited liability company, partnership or similar action necessary to execute and deliver this Agreement and all other instruments and agreements to be delivered by such Seller as contemplated hereby and thereby, to perform their respective obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by each Seller of this Agreement and all other instruments and agreements to be delivered by such Seller as contemplated hereby, the consummation by each Seller of the transactions contemplated hereby and thereby and the performance of their respective obligations hereunder and thereunder have been, and in the case of documents required to be delivered at the Closing will be, duly authorized and approved by all necessary corporate, limited liability company, partnership, stockholder, member, partner or other action. This Agreement has been, and all other instruments and agreements to be executed and delivered by each Seller as contemplated hereby will be, duly executed and delivered by each Seller. Assuming that this Agreement and all such

other instruments and agreements constitute valid and binding obligations of Purchaser and each other Person (other than Parent, Sellers) party thereto, this Agreement and all such other instruments and agreements constitute valid and binding obligations of each Seller enforceable against such Person in accordance with the terms thereof, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

(b) The execution and delivery of this Agreement and all other instruments and agreements to be delivered by each Seller as contemplated hereby do not, and the consummation of the transactions contemplated hereby and thereby will not (i) conflict with any of the provisions of the certificate of formation or operating agreement or similar governance documents of each Seller in each case as amended to the date of this Agreement, (ii) subject to receipt of the consents, approvals, authorizations, declarations, filings and notices set forth in Section 4.2(b) and Section 4.3 of the Sellers Disclosure Letter, conflict with or result in a breach of, or constitute a default under, or result in the acceleration of any obligation or loss of any benefits under, or the creation of any Lien other than Permitted Liens upon, any Contract or other instrument to which Sellers are party or by which Sellers or any of their properties, including the Purchased Assets, are bound or (iii) subject to (x) the applicable requirements of the HSR Act and any other applicable Antitrust Laws and (y) receipt of the consents, approvals, authorizations, declarations, filings and notices referred to in Section 4.3 of the Sellers Disclosure Letter, contravene any Law or any Order applicable to each Seller or by which any of the Purchased Assets are bound, except, in the case of clauses (ii) and (iii) above, for such conflicts, breaches, defaults, consents, approvals, authorizations, declarations, filings or notices which have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Parent has the requisite corporate power and authority and has taken all corporate action necessary to execute and deliver this Agreement and all other instruments and agreements to be delivered by Parent as contemplated hereby and thereby, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Parent of this Agreement and all other instruments and agreements to be delivered by Parent as contemplated hereby, the consummation by Parent of the transactions contemplated hereby and thereby and the performance of its obligations hereunder and thereunder have been, and in the case of documents required to be delivered at the Closing will be, duly authorized and approved by all necessary corporate, stockholder or other action. This Agreement has been, and all other instruments and agreements to be executed and delivered by Parent as contemplated hereby will be, duly executed and delivered by Parent. Assuming that this Agreement and all such other instruments and agreements constitute valid and binding obligations of Purchaser and each other Person (other than Parent and Sellers) party thereto, this Agreement and all such other instruments and agreements constitute valid and binding obligations of Parent enforceable against Parent in accordance with the terms thereof, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

(d) The execution and delivery of this Agreement and all other instruments and agreements to be delivered by Parent as contemplated hereby do not, and the consummation of the transactions contemplated hereby and thereby will not (i) conflict with any of the provisions of the certificate of incorporation or by-laws of Parent, as amended to the date of this Agreement, (ii) subject to receipt of the consents, approvals, authorizations, declarations, filings and notices set forth in Section 4.2(b) and Section 4.3 of the Sellers Disclosure Letter, conflict with or result in a breach of, or constitute a default under, or result in the acceleration of any obligation or loss of any benefits under or the creation of any Lien upon, any Contract or other instrument to which Parent is a party or by which Parent or any of its properties or assets, or the JV Assets are bound or (iii) subject to (x) the applicable requirements of the HSR Act and any other applicable Antitrust Laws and (y) receipt of the consents, approvals, authorizations, declarations, filings and notices referred to in Section 4.3 of the Sellers Disclosure Letter, contravene any Law or any Order applicable to Parent or by which any of the JV Assets are bound, except, in the case of clauses (ii) and (iii) above, for such conflicts, breaches, defaults, consents, approvals, authorizations, declarations, filings or notices which have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

4.3 Consents and Approvals. Assuming all required Antitrust Filings are made and any waiting periods thereunder have been terminated or expired and any consents required thereunder have been obtained, except as set forth in Section 4.3 of the Sellers Disclosure Letter, no consent of or filing with any Governmental Entity or any other Person must be obtained or made by any Seller in connection with the execution and delivery of this Agreement by any such Seller or the consummation by any Seller of the transactions contemplated by this Agreement.

4.4 Absence of Certain Changes. Since December 31, 2015, (a) the Business has been conducted in all material respects in the ordinary course consistent with past practice, (b) there has not been any event, development, or occurrence which has had a Material Adverse Effect and (c) Sellers have not, with respect to the Business or the Purchased Assets, failed to file any Return or pay any Taxes when due, made or changed any Tax election, changed any annual accounting period, adopted or changed any Tax accounting method, filed any amended Return, entered into any closing agreement with respect to Taxes, settled any Tax Contest, or consented to any extension or waiver of the limitation period applicable to any Tax Contest.

4.5 Assumed Contracts; Title

(a) Section 1.1(a) of the Sellers Disclosure Letter is a true and complete list of all Assumed Contracts. The Assumed Contracts constitute all Contracts under which the Sellers have licensed any of the Controlled IP Assets to Persons. There are no oral contracts, oral licenses or additional obligations arising from an oral agreement related to any of the Assumed Contracts or Controlled IP Assets.

(b) A true and complete copy of each Assumed Contract has been made available to Purchaser. Except as set forth in Section 4.5 of the Sellers Disclosure Letter, each Assumed Contract is a valid and binding obligation of each Seller party thereto, enforceable against such party in accordance with the terms thereof, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium

or other similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law). As to each Assumed Contract, there does not exist thereunder any breach, violation or default on the part of any of the Sellers or, to the Knowledge of Sellers, any other party to such Assumed Contract, and, to the Knowledge of Sellers, there does not exist any event, occurrence or condition, including the consummation of the transactions contemplated by this Agreement, which (with or without notice, passage of time, or both) would constitute a breach, violation or default thereunder on the part of any of the Sellers, which breach, violation or default has, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No waiver has been granted by any Seller or, to the Knowledge of Sellers, any of the other parties thereto under, and no amendment has been entered into by any Seller with respect to, any of the Assumed Contracts and none of the Assumed Contracts is currently being re-negotiated by the parties thereto with respect to any of its terms.

(c) Other than with respect Intellectual Property which is addressed in Section 4.12 below, each Seller has good, valid and marketable title to, or valid license interests in, as the case may be, the Purchased Assets, free and clear of all Liens, other than Permitted Liens.

(d) Except as set forth in Section 4.5(d) of the Sellers Disclosure Letter, there are no outstanding options or commitments which relate to the Purchased Assets, Parent's ownership interests in the International JVs, or the JV Assets or the sale by Parent or any Seller of the Purchased Assets, Parent's ownership interests in the International JVs and the JV Assets, as applicable.

4.6 Litigation. Except as set forth in Section 4.6 of the Sellers Disclosure Letter, as of the date hereof and, except as will not have had or would not be reasonably expected to have, individually or in the aggregate a Material Adverse Effect, (i) there is no action, suit, proceeding (including trademark office oppositions or domain name disputes) at law or in equity, or arbitration by, before or against any Governmental Entity or any other Person pending in respect of the Business, the Purchased Assets, the JV Assets or the Assumed Liabilities and (ii) no Seller is subject to any Order in respect of the Business.

4.7 Tax Matters . Except as set forth in Section 4.7 of the Sellers Disclosure Letter:

(a) To the extent a breach or inaccuracy of any of the following could result in a liability of Purchaser to any Taxing Authority in connection with the transactions contemplated by this Agreement: (i) each Seller has timely filed or caused to be timely filed with the appropriate Taxing Authorities all income tax and all material non-income tax Returns with respect to the Business or the ownership of the Purchased Assets that in each instance were required to be filed on or prior to the date hereof (taking into account any extension of time to file), (ii) all such Returns are and will be true, correct and complete in all material respects and (iii) all Taxes related to the Purchased Assets or the Business shown on such Returns have been paid.

(b) There are no Liens for Taxes upon any of the Purchased Assets, other than Permitted Liens.

(c) Each Seller has withheld and properly remitted all material Taxes required to be withheld and remitted in connection with the Business and the Purchased Assets.

(d) No material Tax Contest with respect to Taxes or Returns of any Seller with respect to the Business or the Purchased Assets is being conducted, pending, or threatened by any Taxing Authority. No extension or waiver of the statute of limitations with respect to Taxes or any Return with respect to the Business or the Purchased Assets has been granted by any Seller, which remains in effect. No Taxing Authority is now asserting or threatening to assert against any Seller any deficiency for any Taxes or interest thereon or penalties in connection therewith in connection with the Business or the Purchased Assets. None of the Sellers has received notice of a claim by any Taxing Authority in any jurisdiction where the Seller does not file Tax Returns that the Seller is or may be subject to taxation, or required to file Tax Returns, with respect to the Business or the Purchased Assets in that jurisdiction.

(e) None of the Sellers is a party to or bound by any Contract or arrangement with respect to the Business or the Purchased Assets to allocate, share or indemnify another Person for Taxes.

(f) With respect to the Business or the Purchased Assets, and to the extent having an effect after the Closing, (i) no closing agreement is currently in force pursuant to Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign Law) and (ii) none of the Sellers has obtained any ruling from any Taxing Authority with respect to any Tax.

(g) None of the Sellers has participated in a listed transaction within the meaning of U.S. Treasury Regulations Section 1.6011-4 relating to the Business or the Purchased Assets.

The representations and warranties in Section 4.4(c) and this Section 4.7 are the sole and exclusive representations and warranties of Sellers concerning Tax matters.

4.8 Compliance with Laws.

(a) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, each Seller is not currently conducting the Business in violation of any Law or Order applicable to the Business, the Purchased Assets or the Assumed Liabilities. Each Seller, and to Sellers' Knowledge, each International JV, is, and for the three years prior to the date of this Agreement has been, in compliance with U.S. and any applicable non-U.S. economic sanctions Laws with respect to the Business and Purchased Assets.

(b) Neither the Sellers, nor any of their respective directors, officers, employees, nor to the knowledge of the Sellers, their respective agents, representatives or other persons acting on the Sellers' behalf, have, directly or indirectly, engaged in any conduct related to the Purchased Assets to be in violation of (i) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (ii) the U.S. Travel Act, 18 U.S.C. § 1952; (iii) the U.K. Bribery Act of 2010; (iv) any applicable Law enacted in connection with, or arising under, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions; or (v) any other applicable Law of any foreign or domestic jurisdiction of similar effect or that relates to bribery or corruption (separately or together, "**Anti-Corruption Laws**") in the past five (5)

years. Further, the Sellers have not received any communication from a Governmental Entity alleging that the Sellers, or any of their respective officers, directors, employees, agents, or representatives, or any other person acting on behalf of the Sellers, is or may be in violation of, or has, or may have, any unresolved liability related to the Purchased Assets under, any applicable Anti-Corruption Laws.

4.9 Parent's Ownership Interest in International JVs. Parent has good and valid title to fifty percent (50%) of the issued and outstanding Equity Interests of each International JV. Each International JV has good, valid and marketable title to, or valid license interests in, as the case may be, the JV Assets, free and clear of all Liens (other than Permitted Liens).

4.10 Finders; Brokers. No agent, broker, Person or firm acting on behalf of Sellers, Parent or any of their respective Affiliates is, or shall be, entitled to any broker's fees, finder's fees or commissions from Purchaser in connection with this Agreement or any of the transactions contemplated hereby.

4.11 Affiliate Transactions(a) . Except as disclosed in Section 4.11 of the Sellers Disclosure Letter, there is no Assumed Liability comprising a Contract or Liability between (a) any Seller with respect to the Business, on the one hand, and (b) any equity holder, option holder, officer, member, partner or director of any Seller or any of its Affiliate or any of their respective Subsidiaries (other than any Seller), on the other hand.

4.12 Intellectual Property. Section 4.12 of the Sellers Disclosure Letter sets forth a true and complete list of all Controlled IP Assets that are the subject of a registration or application for registration (the "**Controlled Registered IP**"). Except as disclosed in Section 4.12 of the Sellers Disclosure Letter:

(a) The Controlled Registered Trademarks are valid, subsisting and enforceable.

(b) Sellers own all right, title and interest in and to the Controlled Registered Trademarks free and clear of all Liens (other than Permitted Liens).

(c) Use of the Controlled Registered Trademarks as a designation of source in connection with any products and services licensed pursuant to any Assumed Contract does not infringe, misappropriate or dilute the rights of any third parties; provided, that this representation shall only apply with respect to jurisdictions in which a particular Controlled Registered Trademark has been registered or applied for. No Seller has received written notice of any adverse claim by a Third Party relating to any of the Controlled Registered Trademarks or alleging that the operation of the Business has infringed, misappropriated or diluted the Intellectual Property of any third party, and to the Knowledge of Sellers, there is no reasonable basis for any such claim to exist.

(d) To the Knowledge of Sellers, no third party is infringing, misappropriating or otherwise violating Sellers' rights with respect to the Controlled Registered Trademarks.

4.13 Licensees. Section 4.13 of the Sellers Disclosure Letter sets forth a true and complete list of the five (5) largest licensees of the Business, on a consolidated basis determined by dollar volume of amounts payable by such licensees under the respective Assumed Contracts

for the nine-month period ended September 30, 2016 (collectively, the "Top Licensees"). Except as set forth on Section 4.13 of the Sellers Disclosure Letter, Sellers have no Knowledge of any termination, cancellation or written threat to terminate or cancel or materially and adversely modify or change the business relationship between the Business and any of the Top Licensees.

4.14 Exclusivity of Representations; Projections, etc.

(a) The representations and warranties made by each Seller in this Article IV are the exclusive representations and warranties made by such Seller and its Affiliates. Except for any representations and warranties set forth in this Article IV or in the Sellers Disclosure Letter, the Purchased Assets and the Assumed Liabilities are sold "AS IS, WHERE IS," and each Seller expressly disclaims any other representations or warranties of any kind or nature, express or implied, as to Liabilities, operations of the facilities, the title, condition, value or quality of assets of such Seller or the prospects (financial and otherwise), risks and other incidents of such Seller as they relate to the Business, the Purchased Assets and the Assumed Liabilities, and EACH SELLER SPECIFICALLY DISCLAIMS, AND PURCHASER HEREBY WAIVES, ANY REPRESENTATION OR WARRANTY OF QUALITY, MERCHANTABILITY, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO SAMPLES, OR CONDITION OF THE ASSETS OF SUCH SELLER (INCLUDING THE PURCHASED ASSETS) OR ANY PART THEREOF, WHETHER LATENT OR PATENT. No material or information provided by or communications made by any Seller or any of its Affiliates, or by any advisor thereof, whether by use of a "data room," or in any information memorandum, or otherwise, or by any broker or investment banker, will cause or create any warranty, express or implied, as to or in respect of any such Seller or the title, condition, value or quality of the Business, the Purchased Assets or the Assumed Liabilities.

(b) None of the Sellers makes any representation or warranty whatsoever with respect to any estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and forecasts). Purchaser agrees that no Seller or any other Person will have or be subject to any Liability, other than as a result of or arising out of or by virtue of fraud to Purchaser or any other Person resulting from the distribution to Purchaser, or Purchaser's use of, any information regarding any Seller or its respective assets and Liabilities, including any offering memorandum prepared, as supplemented or amended, and any information, document or material made available to Purchaser or its Affiliates in certain physical or on-line "data rooms," management presentations or any other form in expectation of the transactions contemplated by this Agreement.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Except as set forth in the disclosure letter (the "**Purchaser Disclosure Letter**") delivered by Purchaser to Sellers concurrently with the execution of this Agreement (it being agreed that any matter disclosed pursuant to any section of the Purchaser Disclosure Letter shall be deemed disclosed for purposes of any other section of the Purchaser Disclosure Letter to the extent the applicability of the disclosure to such other section is reasonably apparent on the face of such disclosure), Purchaser hereby represents and warrants to Sellers as follows:

5.1 Corporate Due Organization, Good Standing and Corporate Power of Purchaser. Purchaser is a limited liability company duly organized, validly existing and in good standing (or the equivalent thereof) under the Laws of the State of Delaware and has all requisite limited liability company power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Purchaser is a wholly-owned Subsidiary of Guarantor.

5.2 Authorization; Noncontravention.

(a) Purchaser has the requisite limited liability company power and authority and has taken all limited liability company or other action necessary to execute and deliver this Agreement and all other instruments and agreements to be delivered by Purchaser as contemplated hereby, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Purchaser of this Agreement and all other instruments and agreements to be delivered by Purchaser as contemplated hereby, the consummation by it of the transactions contemplated hereby and thereby and the performance of its obligations hereunder and thereunder have been, and in the case of documents required to be delivered at the Closing will be, duly authorized and approved by the managers of Purchaser. This Agreement has been, and all other instruments and agreements to be executed and delivered by Purchaser as contemplated hereby will be, duly executed and delivered by Purchaser. Assuming that this Agreement and all such other instruments and agreements constitute valid and binding obligations of each Seller and each other Person (other than Purchaser) party thereto, this Agreement and all such other instruments and agreements constitute valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with the terms thereof, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

(b) The execution and delivery of this Agreement and all other instruments and agreements to be delivered by Purchaser as contemplated hereby do not, and the consummation of the transactions contemplated hereby and thereby will not, (i) conflict with any of the provisions of the certificate of incorporation or by-laws or similar governance documents of Purchaser, in each case, as amended to the date of this Agreement, (ii) conflict with or result in a breach of, or constitute a default under, or result in the acceleration of any obligation or loss of any benefits under, any Contract or other instrument to which Purchaser is a party or by which

Purchaser or any of its properties or assets are bound or (iii) subject to (x) the applicable requirements of the HSR Act and any other applicable Antitrust Laws and (y) receipt of the consents, approvals, authorizations, declarations, filings and notices referred to in Section 5.3 of the Purchaser Disclosure Letter, contravene any Law or any Order applicable to Purchaser or by which any of its properties or assets are bound, except in the case of clauses (ii) and (iii) above, for such conflicts, breaches, defaults, consents, approvals, authorizations, declarations, filings or notices which do not and would not reasonably be expected to, individually or in the aggregate, prevent, materially delay or impair Purchaser's ability to consummate the transactions contemplated by this Agreement.

5.3 Consents and Approvals. Assuming all required Antitrust Filings are made and any waiting periods thereunder have been terminated or expired and any consents required thereunder have been obtained, except as set forth in Section 5.3 of the Purchaser Disclosure Letter, no consent of or filing with any Governmental Entity or any other Person, must be obtained or made by Purchaser in connection with the execution and delivery of this Agreement by Purchaser or the consummation by Purchaser of the transactions contemplated by this Agreement.

5.4 Available Funds. Purchaser or the Guarantor will have on the date hereof and on the Closing Date unrestricted cash on hand sufficient to pay all amounts to be paid or repaid by Purchaser under this Agreement (whether payable on or after the Closing) and all of Purchaser's and its Affiliates' fees and expenses associated with the transactions contemplated in this Agreement.

5.5 Litigation. There is no action, suit, proceeding at law or in equity, or any arbitration by, before or against any Governmental Entity or any other Person pending, or, to the Knowledge of Purchaser, threatened in writing, against or affecting Purchaser, or any of their respective properties or rights, except as have not and would not reasonably be expected to, individually or in the aggregate, prevent, materially delay or impair Purchaser's ability to consummate the transactions contemplated by this Agreement. Purchaser is not subject to any Order which seeks to or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or impair Purchaser's ability to consummate the transactions contemplated by this Agreement.

5.6 Finders; Brokers. No agent, broker, Person or firm acting on behalf of Purchaser or any of its Affiliates is or shall be entitled to any broker's fees, finder's fees or commissions from any Seller or any of their respective Affiliates in connection with this Agreement or any of the transactions contemplated hereby.

5.7 Investigation by Purchaser. Purchaser has conducted its own independent investigation, verification, review and analysis of the Business and of the Purchased Assets and the Assumed Liabilities, results of operations, financial condition and prospects of the Business, which investigation, review and analysis was conducted by Purchaser and its Affiliates and, to the extent Purchaser deemed appropriate, by Purchaser's Representatives. Purchaser acknowledges that it and its Representatives have been provided adequate access to the personnel, properties, premises and records of the Business and of the Purchased Assets and the Assumed Liabilities. In entering into this Agreement, Purchaser acknowledges that it has

conducted to its satisfaction its own independent investigation of the Business and relied solely upon the aforementioned investigation, review and analysis and not on any factual representations or opinions of any Seller (except the specific representations and warranties of Sellers set forth in Article IV), and Purchaser acknowledges and agrees, to the fullest extent permitted by Law, that:

(a) no Seller or any of its shareholders, Affiliates, Representatives or any other Person shall have any Liability or responsibility whatsoever to Purchaser or its shareholders, Affiliates or Representatives on any basis (including in contract, tort or equity, under federal or state securities Laws or otherwise) , other than as a result of or arising out of or by virtue of fraud, based upon any information made available or delivered to Purchaser or its Affiliates and Representatives, including any information, whether oral or written (including cost estimates, financial information and projections and other projections and forward-looking statements) (i) included in management presentations, "break-out" discussions, responses to questions submitted by or on behalf of Purchaser or its Affiliates and Representatives, or any "data room" or (ii) delivered or made available pursuant to Section 6.1(a) or otherwise;

(b) without limiting the generality of the foregoing, no Seller makes any representation or warranty regarding (and Purchaser disclaim) any Third Party beneficiary rights or other rights which Purchaser might claim under any studies, reports, tests or analyses prepared by any Third Parties for any Seller or any of its Affiliates, even if the same were made available for review by Purchaser or its shareholders, Affiliates or Representatives; and

(c) without limiting the generality of the foregoing, Purchaser expressly acknowledges and agrees that none of the documents, information or other materials provided to them at any time or in any format by any Seller, or any of its Affiliates or Representatives constitute legal advice, and Purchaser (i) waives all rights to assert that it received any legal advice from any Seller, any of its Affiliates, or any of their respective Representatives, or that it had any sort of attorney-client relationship with any of such Persons, and (ii) agrees to indemnify and hold harmless each Seller, its Affiliates, and each of their respective Representatives against any such assertion made by or on behalf of any of Purchaser or its shareholders, Affiliates or Representatives.

5.8 Acknowledgment by Purchaser. THE REPRESENTATIONS AND WARRANTIES BY EACH SELLER CONTAINED IN THIS AGREEMENT CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF SUCH SELLER TO PURCHASER IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY, AND PURCHASER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT ALL OTHER REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE EXPRESSED OR IMPLIED ARE SPECIFICALLY DISCLAIMED BY EACH SELLER.

ARTICLE VI

COVENANTS

6.1 Access to Information Concerning Properties and Records.

(a) During the period from the date of this Agreement through and including the earlier of (i) the date this Agreement is terminated in accordance with Section 9.1 and (ii) the Closing Date, Sellers shall upon reasonable prior notice and during regular business hours, afford Purchaser and its respective Representatives reasonable access to the personnel, properties, books and records of Sellers relating to the Business, the Purchased Assets and the Assumed Liabilities to the extent Purchaser reasonably believes necessary or advisable to familiarize itself with such properties and other matters and, during such period, Sellers shall furnish to Purchaser all financial and operating data and other information concerning the Business as Purchaser may reasonably request; provided, that Sellers may restrict the foregoing access to the extent that any applicable Law requires it to restrict such access; and provided, further, that such access shall not unreasonably disrupt the operations of Sellers. Notwithstanding anything to the contrary contained in this Agreement, none of the Sellers shall be required to provide any information or access that Sellers reasonably believe could violate applicable Law, including Antitrust Laws, rules or regulations or the terms of any Contract or cause the waiver of attorney/client or similar privilege.

(b) Nothing contained in this Agreement shall be construed to give to Purchaser, directly or indirectly, rights to control or direct the Business prior to the Closing or any other business or operations of Sellers. Prior to the Closing, Sellers shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of the Business and shall at all times exercise complete control and supervision of all of its other businesses and operations.

(c) Purchaser hereby agrees that it is not authorized to and shall not (and shall not permit any of its respective Representatives to) contact any competitor, contractor, vendor, supplier, distributor, customer, agent or Representative of Sellers with respect to the Business or the transactions contemplated hereby prior to the Closing without the prior written consent of Sellers.

6.2 Conduct of Sellers and the Business.

(a) Sellers agree that, except as (i) set forth in Section 6.2 of the Sellers Disclosure Letter, (ii) may be required (including, for the avoidance of doubt, pursuant to Section 6.10) or not otherwise prohibited by this Agreement, (iii) required by Law (including, for the avoidance of doubt, any applicable fiduciary duties) or by any Contract to which any Seller or Parent is a party relating to the Business, or (iv) it relates to the Excluded Assets or Excluded Liabilities, during the period commencing on the date hereof and ending on the earlier of the Closing Date and the termination of this Agreement in accordance with Section 9.1, Sellers shall conduct the Business in the ordinary course of business consistent with past practice, and to the extent consistent therewith (A) use commercially reasonable efforts to maintain the Business and the Purchased Assets and preserve Sellers' current relationships

with licensees of the Business, (B) use commercially reasonable efforts to perform and comply, in all material respects, with the Assumed Contracts and to comply with applicable Laws, (C) maintain its books and records relating to the Purchased Assets in the ordinary course of business consistent with past practice and (D) use commercially reasonable efforts to preserve the goodwill embodied in the Controlled Registered Trademarks.

(b) In furtherance and not in limitation of Section 6.2(a), Sellers and Parent (solely with respect to clauses (iii), (iv) and (vi) – (x) below) agree that, except as (x) set forth in Section 6.2 of the Sellers Disclosure Letter, (y) may be required by this Agreement or (z) required by Law (including, for the avoidance of doubt, any applicable fiduciary duties) or by any Assumed Contract or Contract relating to the Business to which any Seller is a party or by any Contract relating to the business of each International JV only as it relates to the JV Assets (the "**JV Business**"), as applicable, during the period commencing on the date hereof and (1) in the case of Sellers, ending on the earlier of the Closing Date and the termination of this Agreement pursuant to Section 9.1 or (2) in the case of Parent, ending on the earlier of the date of any JV Asset Closing (with respect to the JV Assets sold, assigned, transferred and conveyed to, and the JV Liabilities assumed by, Purchaser on such date) and the termination of this Agreement pursuant to Section 9.1, (A) Sellers shall not effect any of the following (as each pertains to or is related to the Business, the Purchased Assets or the Assumed Liabilities) and (B) Parent shall not and shall use commercially reasonable efforts (which, for the avoidance of doubt, shall not include any payments by Parent or its Affiliates or any restrictions on the business of Parent) to cause the International JVs not to effect any of the following in clauses (iii), (iv) and (vi) – (x) (as each pertains to or is related to the JV Business, the JV Assets or the JV Liabilities), in each case, without the prior written consent of Purchaser (such consent not to be unreasonably withheld, conditioned or delayed):

(i) amend, renew (except for any Assumed Contracts that renew automatically in accordance with their terms) or terminate any Assumed Contract; provided, however, that the expiration of any Assumed Contract in accordance with its terms shall not be deemed to be restricted under this clause;

(ii) enter into any Contract relating to the Purchased Assets;

(iii) sell, transfer, lease, exclusively license or otherwise dispose of any Purchased Assets or JV Assets; provided, that this restriction shall not impair the ability of the International JVs to non-exclusively license any JV IP Assets;

(iv) except as required by GAAP or otherwise by applicable Law, make any change in any method of accounting or auditing practice affecting the Purchased Assets or JV Assets, as applicable;

(v) pay, discharge, settle or satisfy any Assumed Liabilities, including with respect to any of the matters set forth in Section 4.6 of the Sellers Disclosure Letter, other than payments, discharges, settlements or satisfactions in the ordinary course of business consistent with past practice to the extent that such payment, settlement, discharge or satisfaction would not increase the Assumed Liabilities, by an aggregate amount in excess of $50,000;

(vi) allow to be subjected, or voluntarily subject, any of the Purchased Assets or JV Assets, as applicable, to any Lien other than Permitted Liens and other than any Lien that will be extinguished at or prior to the Closing;

(vii) incur or guarantee any obligation or indebtedness for borrowed money of any Person on behalf of the Business or the JV Business, as applicable;

(viii) commence or settle any action, suit or proceeding at law or in equity relating to the Business or the JV Business, as applicable;

(ix) acquire or agree to acquire any assets that would be material, individually or in the aggregate, to the Business or the JV Business, as applicable; or

(x) commit or agree to do any of the foregoing.

6.3 Efforts to Close; Antitrust Laws.

(a) Except as otherwise provided in this Section 6.3 and subject to Section 2.6, Purchaser and Sellers shall, and shall cause their respective Affiliates and Representatives to, cooperate and use their respective commercially reasonable efforts to take, or cause to be taken, all appropriate action, and to make, or cause to be made, all filings necessary, proper or advisable under applicable Laws and to consummate and make effective the transactions contemplated by this Agreement, including their respective commercially reasonable efforts to obtain, prior to the Closing Date, all Permits, consents, approvals, authorizations, qualifications and Orders of Governmental Entities as are necessary for consummation of the transactions contemplated by this Agreement and to fulfil the conditions to consummation of the transactions contemplated hereby set forth in Section 7.2 and Section 7.3.

(b) Purchaser and Sellers have filed the Notification and Report Forms required under the HSR Act with respect to the transactions contemplated by this Agreement with the Antitrust Division of the United States Department of Justice and the Federal Trade Commission and paid the required filing fee. Purchaser and Sellers shall use their respective reasonable best efforts to make any other filings required under any other Antitrust Law as promptly as practicable following the date hereof.

(c) Purchaser and Sellers shall consult and cooperate with one another in connection with the preparation of their respective Notification and Report Forms, and consider in good faith the views of the other party, in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any party in connection with proceedings under or relating to any Antitrust Laws and in connection with resolving any investigation or other inquiry concerning the Purchase or any of the other transactions contemplated by this Agreement initiated by any Antitrust Authority.

(d) Purchaser shall use reasonable best efforts to obtain the required consents from Antitrust Authorities, including antitrust clearance under the HSR Act and under any other Antitrust Law, to the extent required, as promptly as practicable, and in any event prior to the End Date.

(e) Purchaser shall not withdraw its Notification and Report Form without the express written consent of Sellers. Neither Purchaser nor any Seller shall initiate a request for early termination of the waiting period under the HSR Act without the consent of the other party.

(f) Purchaser shall be responsible for the payment of all filing fees under the HSR Act.

(g) Notwithstanding the foregoing or any other provision of this Agreement, nothing contained in this Agreement shall require or obligate Purchaser or any of its Affiliates to, and none of the Sellers shall, without the prior written consent of Purchaser: (i) in the event that any administrative or judicial action or proceeding is instituted (or threatened to be instituted) by any Governmental Entity or private party challenging the transactions contemplated hereby, agree to defend any such action or actions; (ii) commence any litigation with any Governmental Entity or third party; or (iii) pay or commit to pay any material amount of cash or other consideration, or incur or commit to incur any material Liability or other obligation, in connection with obtaining any authorization, consent, order, registration or approval; or (iv) agree or otherwise be required to sell, divest, dispose of, license, hold separate, or take or commit to take any action that limits in any respect its freedom of action with respect to, or its ability to retain, any businesses, products, rights, services, licenses, or assets of Purchaser or any of its Affiliates, Purchased Assets, or any interest or interests therein.

(h) Purchaser will have on the Closing Date unrestricted cash on hand sufficient to pay all amounts to be paid or repaid by Purchaser under this Agreement (whether payable on or after the Closing) and all of Purchaser's and its Affiliates' fees and expenses associated with the transactions contemplated in this Agreement.

6.4 Public Announcements. Parent and Sellers, on the one hand, and Purchaser, on the other hand, each shall (a) consult with each other before issuing any press release or otherwise making any public statement with respect to the transactions contemplated by this Agreement, (b) provide to the other party for review a copy of any such press release or public statement and (c) not issue any such press release or make any such public statement prior to such consultation and review and the receipt of the prior consent of the other party to this Agreement, unless required by applicable Law or regulations of any applicable stock exchange, in which case, the party required to issue the press release or make the public statement shall, prior to issuing such press release or making such public statement, use its commercially reasonable efforts to allow the other party reasonable time to comment on such release or statement to the extent practicable. Notwithstanding anything in the foregoing to the contrary, nothing in this Section 6.4 shall limit the rights of Sellers, Parent or their respective Affiliates to make public statements about their respective actions under Section 9.1 without prior consultation with Purchaser.

6.5 Notification of Certain Matters.

(a) Purchaser, on the one hand, and Sellers, on the other hand, shall use their respective commercially reasonable efforts to promptly notify each other of any material actions, suits, claims or proceedings in connection with the transactions contemplated by this Agreement

commenced or, to the Knowledge of Purchaser or the Knowledge of Sellers, threatened, against Sellers or Purchaser, as the case may be, or any of their respective Affiliates.

(b) If, prior to the Closing, Purchaser shall have actual knowledge of any breach of a representation, warranty, covenant, agreement or condition of Sellers, Purchaser shall promptly notify Sellers of such knowledge in reasonable detail.

6.6 Post-Closing Access to Records and Personnel; Litigation Support.

(a) For a period of seven (7) years after the Closing Date, Purchaser shall preserve and retain all corporate, accounting, Tax, legal, auditing and other books and records of the Business (including (i) any documents relating to any action, claim, lawsuit, demand, inquiry, hearing, investigation, notice of a violation or noncompliance, litigation, proceeding, arbitration, appeal or other dispute and (ii) all Returns, schedules, work papers and other material records or other documents relating to Taxes of the Business) relating to the conduct of the Business prior to the Closing Date. Notwithstanding the foregoing, during such seven (7) year period, Purchaser may dispose of any such books and records which are offered to, but not accepted by, Sellers.

(b) Following the Closing, the parties hereto will allow each other reasonable access to their books and records related to the Business, Purchased Assets and Assumed Liabilities and such personnel having knowledge of the location or contents of such books and records, as may be reasonably necessary for legitimate business reasons; provided, however, that no such access shall unreasonably interfere with Sellers' and Purchaser's operation of their respective businesses. Notwithstanding anything to the contrary contained in this Agreement, no Person shall be required to provide any information or access that such Person reasonably believes could violate applicable Law, including Antitrust Laws, rules or regulations or the terms of any Contract or cause the waiver of attorney/client or similar privilege. Each party shall be entitled to recover from the other its out-of-pocket costs (including copying costs) incurred in providing such books and records or personnel to the other party. The requesting party will hold in confidence all confidential information identified as such by, and obtained from, the disclosing party or any of its Representatives, except as otherwise required by Law.

(c) If and for so long as any Seller or Purchaser is actively contesting or defending against any action, claim, lawsuit, demand, inquiry, hearing, investigation, notice of a violation or noncompliance, litigation, proceeding, arbitration, appeal or other dispute, brought by a Third Party in connection with (i) the Purchase or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Business, the Purchased Assets or the Assumed Liabilities, the non-contesting or non-defending party or parties shall, at the sole cost and expense of the contesting or defending party (except as otherwise provided in Section 8.7(b)), (x) cooperate with the contesting or defending party and its counsel in the defense or contest, (y) make available its or their personnel (including to act as a witness) and (z) provide such access to its or their books and records as shall be necessary or reasonably requested in connection with the defense or contests; provided, however, that no such cooperation or access shall unreasonably interfere with such non-contesting or non-defending party's operation of its businesses. All non-public information received pursuant to this Section 6.6 shall be kept

confidential, except as otherwise required by Law. Notwithstanding anything to the contrary contained in this Agreement, no Person shall be required to provide any access that such Person reasonably believes could violate applicable Law, including Antitrust Laws, rules or regulations or the terms of any Contract or cause the waiver of attorney/client or similar privilege. Each party shall be entitled to recover from the other its out-of-pocket costs incurred in providing such personnel and access to the other party.

(d) The obligations of Purchaser under this Section 6.6 shall be binding upon the successors and assigns of Purchaser. If Purchaser or any of its successors or assigns (i) consolidates with or merges into any other Person or (ii) transfers all or any portion of the Purchased Assets to any other Person (whether by asset sale, stock sale or otherwise), proper provision shall be made so that the successors and assigns of Purchaser honor the obligations set forth in this Section 6.6.

6.7 Tax Matters.

(a) All stamp, transfer, documentary, sales and use, value added, registration and other such taxes and fees (including any penalties and interest) incurred in connection with this Agreement or the Purchase (collectively, the "**Transfer Taxes**"), shall be borne by Purchaser, and Purchaser shall properly file on a timely basis all necessary Returns and other documentation with respect to any Transfer Tax and provide to Sellers evidence of payment of all Transfer Taxes. If required by applicable Law, the parties hereto shall, and shall cause their respective Affiliates to, join in the execution of any such Returns and other documentation; provided, however, that, to the extent that any of the Sellers is required to join in the execution of any such Return or documentation, Purchaser shall prepare and deliver to the Sellers a copy of such Return at least five (5) Business Days before the due date thereof and shall not file such Return without the consent of the Sellers, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) All personal property Taxes, real property Taxes and similar *ad valorem* obligations levied with respect to the Purchased Assets for any Straddle Period shall be apportioned between the Sellers, on the one hand, and Purchaser, on the other hand, as of the Closing Date based on the number of days of such taxable period included in the Pre-Closing Period, and the number of days of such taxable period in the Post-Closing Period. The Sellers shall be liable for the proportionate amount of such Taxes that is attributable to the Pre-Closing Period, and the Purchaser shall be liable for the proportionate amount of such Taxes that is attributable to the Post-Closing Period. The Purchaser shall be responsible for preparing and filing (or causing to be prepared and filed) all periodic non-income tax Returns required to be filed after the Closing Date. With respect to any such Return that relates to a Straddle Period, the Purchaser shall provide the Sellers with a copy of such completed Return and a statement (with which the Purchaser will make available supporting schedules and information) certifying the amount of Tax shown on such Return that is allocable to the Sellers pursuant to this Section 6.7(b) at least thirty (30) days prior to the due date (including any extension thereof) for filing such Return, and the Sellers shall have the right to review and approve such Return and statement prior to the filing of such Return (such approval not be unreasonably withheld, conditioned or delayed). The Purchaser and the Sellers agree to consult and to attempt in good faith to resolve any issues arising as a result of the review of such Return and statement. Each of

the Sellers, on the one hand, and the Purchaser, on the other hand, shall provide reimbursement to the other party as necessary to give effect to this Section 6.7(b).

(c) The Sellers shall be entitled to retain or, to the extent actually received by or otherwise available to the Purchaser or any of its Affiliates (as reasonably determined by the Purchaser), receive payment from the Purchaser or any of its Affiliates of, any refund or credit with respect to Taxes (including refunds arising by reason of amended Returns filed after the Closing or otherwise) paid by the Sellers with respect to any Pre-Closing Period relating to the Purchased Assets and the Business. The Purchaser shall be entitled to retain or, to the extent actually received by or otherwise available to the Sellers or any of their respective Affiliates (as reasonably determined by the Sellers), receive payment from the Sellers or any of their respective Affiliates of, any refund or credit with respect to Taxes (including refunds arising by reason of amended Tax Returns filed after the Closing or otherwise) with respect to any Post-Closing Period relating to the Purchased Assets and the Business.

(d) Purchaser, on the one hand, and the Sellers, on the other hand, agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Purchased Assets (including access to books and records) as is reasonably necessary for the preparation or filing of all Returns, the making of any election relating to Taxes, the application for exemption or refund of Tax, and the preparation, prosecution, or defense of any Tax Contest. Any expenses incurred in furnishing such information or assistance pursuant to this Section 6.7(d) shall be borne by the party requesting it.

(e) Neither Purchaser nor any Affiliate of Purchaser shall amend any Return with respect to any Pre-Closing Period with respect to the Business or the Purchased Assets without the prior consent of the Sellers, which consent shall not be unreasonably withheld, conditioned or delayed.

(f) If, following the Closing Date, Purchaser receives from any Taxing Authority written notice of any Tax Contest with respect to which Sellers may have any liability for Sellers' Taxes, Purchaser shall use its commercially reasonable efforts to forward to Sellers all such written notice; provided, that Purchaser's failure to provide a copy of such notice to Sellers shall not relieve Sellers from their obligations under Section 8.2, except to the extent that the Sellers are actually and materially prejudiced thereby. Sellers shall have the right, at Sellers' expense, to control, manage and be responsible for, and to contest or settle, any Tax Contest in connection with such notice, to the extent that such notice relates to Sellers' Taxes; provided that Purchaser shall have the right, at Purchaser's expense, to participate in such Tax Context, to the extent that such Tax Contest relates to the Business or the Purchased Assets. Sellers shall not settle such Tax Contest, to the extent such Tax Contest relates to the Business or the Purchased Assets, without the consent of Purchaser, which consent will not be unreasonably withheld, conditioned or delayed. Sellers shall keep Purchaser informed of the progress of all such Tax Contests and shall provide copies of all written communications with any Taxing Authority related to such Tax Contests, in each case to the extent such Tax Contests relate to the Business or the Purchased Assets.

(g) Notwithstanding anything herein to the contrary, neither Purchaser nor any of its respective Representatives shall have access to the Returns or related workpapers of any Sellers or any of their respective Affiliates that do not relate to the Business or the Purchased Assets.

6.8 Bulk Sales Act. Purchaser hereby waives compliance by Sellers with respect to any applicable "bulk-sale", "bulk-transfer", or similar Laws of any jurisdiction in connection with the transfer or sale to Purchaser of the Purchased Assets.

6.9 Further Assurances. Subject to Section 2.6, at any time and from time to time after the Closing Date, without further consideration, each party hereto shall, at the reasonable request of the other party hereto (including in any case where the laws of a particular jurisdiction require different or additional documentation to that contemplated herein to effect the transfer of any Purchased Asset from Sellers to Buyer), execute and deliver such further instruments of conveyance, assignment, assumption and transfer with respect to the Purchased Assets and the Assumed Liabilities and take such further action as may be necessary or appropriate in order to (a) effectuate the intent of this Agreement, (b) perfect or record title of Purchaser in the Purchased Assets, (c) put Purchaser in possession of the Purchased Assets and (d) provide such other party in all material respects with the intended benefits of this Agreement. If Purchaser receives any of the Excluded Assets, Purchaser agrees to promptly return or cause the return to the applicable Seller of, or allow such Seller or its Representatives to remove and recover, such assets at such Seller's expense. In furtherance of the foregoing, with respect to such Excluded Assets that such Seller will remove and recover, Purchaser shall grant to such Seller and its Representatives reasonable access to Purchaser's property from and after the Closing Date for a reasonable period of time not to exceed one hundred-eighty (180) days to permit such Seller and its Representatives to remove and recover such Excluded Assets and make any other appropriate arrangements with respect thereto. If any Seller retains any of the Purchased Assets, such Seller agrees to promptly transfer or cause the transfer of such assets to Purchaser at Purchaser's expense.

6.10 Transfer of JV Assets.

(a) Subject to the terms and conditions herein (including Section 6.10(c)), Parent agrees to use its commercially reasonable efforts to cause each Seller and each International JV to sell, assign, transfer and convey, or to cause to be sold, assigned, transferred and conveyed, the JV Assets to Purchaser at the applicable purchase price for such JV Assets set forth on Annex A and otherwise on terms and conditions substantially equivalent to those contained in this Agreement, to the extent applicable (provided, that any dollar amounts shall be adjusted as necessary to reflect the same proportion that the Purchase Price bears to the JV Asset Purchase Price), including by the International JVs agreeing to amend existing agreements with Sellers to allow Sellers to assign their respective interests in the JV Assets to Purchaser. Purchaser agrees to purchase from each Seller and International JV all right, title and interest of each Seller and International JV in and to the JV Assets, and Purchaser agrees to assume, perform and pay all Liabilities of Parent, Sellers and each International JV primarily related to the JV Assets arising after the applicable JV Asset Closing with respect to the period from and after the applicable JV Asset Closing (the "**JV Liabilities**"). The parties hereto mutually agree and understand that Purchaser shall, for each

such sale, assignment, transfer and conveyance of the JV Assets, as the purchase price and in full payment thereof, pay to the applicable International JV (or Parent as agent for such International JV), the amount set forth on Annex A allocable to each International JV for the applicable JV Assets (each, the "**JV Asset Purchase Price**") simultaneously with the applicable JV Asset Closing. In connection therewith, at such time that the applicable International JV is prepared to transfer the JV Assets, Parent shall give Purchaser notice thereof (each such transfer, a "**Post-Closing Acquisition**"). Other than as provided for in Section 6.10(b) and pursuant to the terms of any Assumed Contract, Purchaser and its Affiliates shall have no rights with respect to the SHARPER IMAGE brand or JV Business in a particular Joint Venture Territory prior to the Post-Closing Acquisition for such Joint Venture Territory, and Purchaser and its Affiliates shall not enter (and shall not authorize or enable any Third Party to enter) such Joint Venture Territory prior to such Post-Closing Acquisition for any purpose related to the JV Business or use in such Joint Venture Territory the SHARPER IMAGE brand or any Intellectual Property confusingly similar to the mark SHARPER IMAGE or any of the JV Assets. If Sellers learn of a Third Party licensee of Purchaser that is violating an Assumed Contract or other agreement with Purchaser and using the SHARPER IMAGE brand or any Intellectual Property confusingly similar to the mark SHARPER IMAGE or any of the JV Assets in a Joint Venture Territory (prior to the Post-Closing Acquisition for such Joint Venture Territory), Sellers may request that Purchaser, and Purchaser shall, direct such licensee to cease and desist such conduct. Until such time as the JV Assets for a particular Joint Venture Territory are assigned as of the date of the related Post-Closing Acquisition, any and all royalties received by Purchaser and its Affiliates from their licensees for the use of the SHARPER IMAGE brand or any Intellectual Property confusingly similar to the mark SHARPER IMAGE or any of the JV Assets in such Joint Venture Territory (whether under an Assumed Contract or otherwise) shall be promptly paid to Sellers for the benefit of the applicable International JV. For the avoidance of doubt, this includes JV Jurisdiction Royalties.

(b) Notwithstanding the foregoing, in the event that one or more Post-Closing Acquisitions is not consummated by the eighteen (18) month anniversary of the Closing Date (the "**Post-Closing Acquisition End Date**"), or, in the case of ICO Brands, L.P. only, in the event that the Post-Closing Acquisition involving ICO Brands, L.P. is not consummated by the nine (9) month anniversary of the Closing Date ("**Canadian JV End Date**"), then Purchaser shall designate in writing to Parent, within ten (10) days following such applicable anniversary, at its sole discretion that, either (i) Purchaser and Parent shall execute and deliver to the Escrow Agent a joint written direction instructing the Escrow Agent to disburse the remaining portion of the JV Asset Amount (such amount in respect of the applicable JV Assets remaining as of the applicable anniversary date, the "**Remaining JV Escrow Amount**") to Purchaser from the Escrow Account, or (ii) Purchaser and Parent shall execute and deliver to the Escrow Agent a joint written direction instructing the Escrow Agent to disburse (A) fifty percent (50%) of the Remaining JV Escrow Amount to Parent and (B) the remaining fifty percent (50%) of the Remaining JV Escrow Amount to Purchaser, and, thereafter, for such time as the International JV is licensed to use the JV Assets, upon Parent's receipt of funds disbursed by the applicable International JV to Parent (as an equity holder of the applicable International JV), Parent shall pay Purchaser an amount equal to a share of all such distributions for that portion of the distributions related to the JV Assets, as determined by Sellers in their reasonable discretion (taking into account, among other things, the net revenue generated by

the JV Assets and any costs and expenses incurred by the applicable International JV related to its JV Assets), less any expenses incurred by Sellers or Parent relating to the JV Assets (including, for the avoidance of doubt, any maintenance, application or registration fees), made at any time after such written direction (each, a "**Synthetic Acquisition**"). At Purchaser's request, Parent shall provide reasonable documentation supporting the distribution allocation set forth in the previous sentence. If Purchaser learns of a Third Party licensee of Sellers or their Affiliates that is using the SHARPER IMAGE brand or any Intellectual Property confusingly similar to the mark SHARPER IMAGE outside of a Joint Venture Territory (prior to the Post-Closing Acquisition for such Joint Venture Territory), Purchaser may request that Sellers, and Sellers shall, direct such licensee to cease and desist such conduct. Any and all royalties received by Sellers or their Affiliates from their licensees for the use of the SHARPER IMAGE brand or any Intellectual Property confusingly similar to the mark SHARPER IMAGE outside of a Joint Venture Territory shall be promptly paid to Purchaser. If an International JV takes or threatens to take any action (including any omission) that has, or would reasonably be expected to have, an adverse effect on Purchaser in respect of Purchaser's commercialization of the SHARPER IMAGE brand in any territory other than a Joint Venture Territory, and Sellers possess a right pursuant to any provision of an agreement between Sellers or their Affiliates and the International JV set forth on Section 6.10(b) of the Sellers Disclosure Letter to prevent, cause the cessation of, or obtain damages for such action or threatened action, Sellers shall (at Purchaser's direction and cost) take such steps as Purchaser may reasonably request to exercise and, to the extent necessary, enforce such right; provided that in no event shall Sellers or their Affiliates have any obligation to terminate any agreement with such International JV or to take any action that would provide such International JV with a basis to terminate any such agreement or any other agreement with Sellers or their Affiliates, including Parent; and further provided that, Sellers and their Affiliates shall have no obligation to take any steps requested by Purchaser that Sellers or their Affiliates would not reasonably have been expected to take in corresponding circumstances had they arisen prior to the Closing. For the avoidance of doubt, the provisions of the previous sentence shall not apply with respect to any Joint Venture Territory after the Post-Closing Acquisition for such territory. The parties hereto acknowledge and agree that each other party hereto shall have no continuing obligation to pursue or effect the purchase or sale of any JV Assets following the Post-Closing Acquisition End Date or the Canadian JV End Date, as applicable based on the particular JV Assets at issue.

(c) Notwithstanding anything to the contrary contained in this Agreement or otherwise, neither Parent nor any of its Affiliates shall be required to repay any indebtedness for borrowed money, amend any Contract to increase the amount payable thereunder or otherwise to be materially more burdensome to Parent or any of its Affiliates, commence any litigation, offer or grant any accommodation (financial or otherwise) to any Third Party or Governmental Entity, pay any amount or bear any other incremental economic burden or incur any other liability or obligation or become subject to any restriction or limitation to obtain any authorization, approval, consent, negative clearance or waiver contemplated to be obtained pursuant to this Section 6.10. Without limiting the foregoing, in no event shall Parent's obligation to use commercially reasonable efforts or take the actions set forth in this Section 6.10, to the extent so provided in this Agreement or the other documents, certificates or agreements delivered in connection with this Agreement require that Parent or its Affiliates (including Sellers) (i) make any payment to any International JV in connection with the Post-

Closing Acquisition of JV Assets that exceeds the applicable JV Asset Purchase Price allocable in respect thereof that Parent has received from the escrow account established pursuant to the Escrow Agreement (the "**Escrow Account**"), (ii) acquire or seek to acquire control of, either contractually or through the purchase of equity in, any International JV, (iii) compensate any International JV in connection with transactions contemplated by this Agreement or the transfer of the JV Assets or incur any obligation or liability in connection therewith, (iv) take or omit to take any action that would (upon the advice of counsel) violate applicable Law (including any fiduciary obligation of Parent to such International JV or any equityholder thereof), or (v) entitle Purchaser to any rights with respect to the governance or operations of any International JV or obligate Parent or its Affiliates (including Sellers) to assert any rights in respect thereof in consultation with Purchaser, except as set forth in Section 6.10(b).

(d) Notwithstanding the provisions of Section 6.10(a), Section 6.10(b), and Section 6.12, it is acknowledged and agreed that following the Closing, (i) for so long as they continue to own or control the JV Assets for a particular Joint Venture Territory, Sellers, the International JVs and their licensees, if any, may manufacture and produce, or have manufactured and produced, goods branded with the JV Assets (which may include trademarks identical or similar to the trademarks included within the Purchased Assets) anywhere in the world, in each case solely in connection with goods that will be marketed, sold and otherwise exploited within such Joint Venture Territory, and (ii) Purchaser and its licensees may manufacture and produce, or have manufactured and produced, goods branded with the Purchased Assets (which may include trademarks identical or similar to the trademarks included within the JV Assets) anywhere in the world, in each case solely in connection with goods and services that will be marketed, sold and otherwise exploited outside of a Joint Venture Territory (until the Post-Closing Acquisition for such territory). The Parties hereby grant, or will cause to be granted, to each other and the Persons referenced above all rights to Intellectual Property consistent with the preceding sentence.

6.11 JV Asset Amount; Escrow.

(a) JV Asset Amount. In consideration of the sale, transfer, conveyance and delivery of all of the JV Assets from the International JVs as contemplated by Section 6.10, Purchaser shall, in full payment thereof, deposit with the Escrow Agent, in readily available funds, the JV Asset Amount in accordance with Section 3.1(b).

(b) Escrow. The JV Asset Amount shall be deposited with the Escrow Agent in a segregated trust account at the Closing by Purchaser and shall be held and disbursed pursuant to the terms of the Escrow Agreement and in accordance with Section 6.10(b). The parties hereto shall, at each Post-Closing Acquisition, execute and deliver to the Escrow Agent a direction to disburse under the Escrow Agreement instructing the Escrow Agent to disburse the pro rata portion of the JV Asset Amount allocable to the applicable International JV as set forth on Annex A.

6.12 Camelot Agreement. If Camelot takes or threatens to take any action (including any omission) that has or would reasonably be expected to have an adverse effect on an International JV in respect of the International JV's commercialization of the SHARPER IMAGE brand or the JV Assets in its Joint Venture Territory, and Purchaser possesses a right

pursuant to any provision of the Camelot Agreement set forth on Section 6.12 of the Sellers Disclosure Letter to prevent, cause the cessation of, or obtain damages for such action or threatened action, Purchaser shall (at Sellers' direction and cost) take such steps as Sellers may reasonably request to exercise and, to the extent necessary, enforce such right; provided that in no event shall Purchaser have any obligation to terminate the Camelot Agreement or to take any action that would provide Camelot with a basis to terminate the Camelot Agreement; and further provided that, Purchaser shall have no obligation to take any steps requested by Sellers that Sellers would not reasonably have been expected to take in corresponding circumstances had they arisen prior to the Closing. For the avoidance of doubt, the provisions of this Section 6.12 shall not apply with respect to any Joint Venture Territory after the Post-Closing Acquisition for such territory.

ARTICLE VII

CONDITIONS PRECEDENT

7.1 Conditions to the Obligations of Each Party. The respective obligations of Purchaser, Parent and Sellers to consummate and cause the consummation of the Purchase are subject to the satisfaction or waiver in writing by Parent, Sellers and Purchaser at or before the Closing Date of each of the following conditions:

(a) Injunctions; Illegality. No Governmental Entity shall have issued, enacted, entered, promulgated or enforced any Law or Order (that has not been vacated, withdrawn or overturned) restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement.

(b) HSR Act. Any waiting periods under the HSR Act with respect to the transactions contemplated by this Agreement shall have expired.

(c) Consents. Sellers shall have received evidence of any consents or waivers required, pursuant to the terms of the Financing Facility, to permit the consummation of the transactions contemplated by this Agreement.

7.2 Conditions to the Obligations of Purchaser. The obligations of Purchaser to consummate and cause the consummation of the Purchase are subject to the satisfaction or waiver by Purchaser on or prior to the Closing Date of the following further conditions:

(a) Performance. All of the agreements and covenants of Parent and Sellers to be performed prior to the Closing pursuant to this Agreement shall have been duly performed in all material respects.

(b) Representations and Warranties. (i) The Fundamental Representations shall be true and correct in all respects as of the date when made and as of the Closing Date as if made at and as of such time, (ii) the representations and warranties contained in Section 4.5(c) and Section 4.12(b) shall be true and correct in all material respects and, with respect to the representations and warranties related to any material Controlled Registered Trademarks contained in Section 4.12(b), in all respects, as of the date when made and as of the Closing Date as if made at and as of such time and (iii) all other representations and warranties of Parent and

Sellers contained in Article IV shall be true and correct (without regard to any qualifications as to materiality or Material Adverse Effect (or any correlative term) contained in such representations and warranties) as of the date when made and as of the Closing Date as if made at and as of such date (other than those representations and warranties made as of a specified date, which representations and warranties shall be measured as of such specified date), except, in the case of clause (iii), for such failures to be true and correct that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Closing Deliverables. Each Seller shall have delivered or caused to be delivered to Purchaser the items set forth in Section 3.3(b) and Parent shall have delivered to Purchaser and the Escrow Agent, the item set forth in Section 3.3(e).

7.3 Conditions to the Obligations of Sellers and Parent. The obligations of Sellers and Parent to consummate and cause the consummation of the Purchase are subject to the satisfaction or waiver by Sellers and Parent, on or prior to the Closing Date, of the following further conditions:

(a) Performance. All of the agreements and covenants of Purchaser to be performed prior to the Closing pursuant to this Agreement shall have been duly performed in all material respects.

(b) Representations and Warranties. The representations and warranties of Purchaser contained in Article V shall be true and correct at and as of the Closing Date as if made at and as of such date (other than those representations and warranties made as of a specified date, which representations and warranties shall be true and correct as of such specified date), except for such failures to be true and correct that have not and would not reasonably be expected to, individually or in the aggregate, prevent, materially delay or impair Purchaser's ability to consummate the transactions contemplated by this Agreement.

(c) Closing Deliverables. Purchaser shall have delivered or caused to be delivered to Sellers or the Escrow Agent, as applicable, the items set forth in Section 3.3(c) and Section 3.3(d).

7.4 Frustration of Closing Conditions. Neither Purchaser nor any Seller may rely on the failure of any condition set forth in this Article VII to be satisfied if such failure were caused by such party's failure to act in good faith or such party's failure to comply with Section 6.3.

ARTICLE VIII

SURVIVAL; INDEMNIFICATION

8.1 Survival of Representations and Warranties. The respective representations and warranties of Sellers, Parent and Purchaser contained in this Agreement shall survive the Closing until the date that is twelve (12) months from the Closing Date, except that the representations and warranties contained in (a) Section 4.1 (Due Organization, Good Standing and Corporate Power), Section 4.2 (Authorization; Noncontravention), Section 4.10 (Finders; Brokers), Section 5.1 (Corporate Due Organization, Good Standing and Corporate Power of

Purchaser), Section 5.2 (Authorization; Noncontravention) and Section 5.6 (Finders; Brokers) (such representations and warranties, collectively, the "**Fundamental Representations**"), Section 4.7 (Tax Matters) shall survive until sixty (60) days after the expiration of the applicable statute of limitations, including any waivers or extensions, with respect to the particular matter that is the subject matter thereof, (b) Section 4.12 (Intellectual Property), other than Section 4.12(b), shall survive until the date that is three (3) years from the Closing Date and (c) Section 4.5(c) (Assumed Contracts; Title), Section 4.12(b) (Intellectual Property) shall survive until the date that is six (6) years from the Closing Date. Each covenant and other agreement of Purchaser, Parent or any Seller hereunder shall survive in accordance with its terms. No Person shall be liable for any claim for indemnification under this Article VIII unless a Claim Certificate (as defined below) is delivered by the Person seeking indemnification to the Person from whom indemnification is sought prior to the expiration of the applicable survival period, in which case the representation, warranty, covenant or agreement which is the subject of such claim shall survive, to the extent of the claims described in such Claim Certificate only, until such claim is resolved, whether or not the amount of the Losses resulting from such breach has been finally determined at the time the notice is given.

8.2 Indemnification by Sellers and Parent. Subject to the other provisions of this Article VIII, from and after the Closing, Sellers and Parent agree to and shall jointly and severally indemnify Purchaser and its Subsidiaries and direct and indirect parent companies, and its and their Representatives, shareholders, partners, members, successors and assigns (the "**Purchaser Indemnitees**") and save and hold each of them harmless against any Losses suffered, incurred or paid by them to the extent such Losses are a result of, arise out of or are related to: (a) any failure of any representation or warranty made by Sellers or Parent in this Agreement or in any certificate delivered hereunder to be true and correct in all respects ; (b) any breach of any covenant or agreement by Sellers or Parent contained in this Agreement or any ancillary agreement contemplated by this Agreement and (c) any Excluded Liability.

8.3 Indemnification by Purchaser. Subject to the other provisions of this Article VIII, from and after the Closing, Purchaser agrees to and shall indemnify Sellers and their respective Subsidiaries and direct and indirect parent companies, and their respective Representatives, shareholders, partners, members, managers, successors and assigns (the "**Seller Indemnitees**") and save and hold each of them harmless against any Losses suffered, incurred or paid by them to the extent such Losses are a result of, arise out of or are related to: (a) any failure of any representation or warranty made by Purchaser in this Agreement or in any certificate delivered hereunder to be true and correct in all respects; (b) any breach of any covenant or agreement by Purchaser contained in this Agreement or any ancillary agreement contemplated by this Agreement and (c) any Assumed Liability.

8.4 Limitation on Indemnification. Notwithstanding anything to the contrary contained in this Agreement, neither Purchaser nor any Seller, as the case may be, shall be liable for any claim for indemnification pursuant to (i) Section 8.2(a) or (ii) Section 8.3(a), as the case may be, unless and until the aggregate amount of Qualifying Losses which may be recovered from Sellers, Parent or Purchaser, as the case may be, pursuant to such provisions of this Agreement equals or exceeds the Deductible, in which case Sellers and Parent, on the one hand, or Purchaser, on the other hand, as the case may be, shall be liable only for the aggregate amount of Qualifying Losses in excess of the Deductible; provided, that, except as provided otherwise

herein, the maximum aggregate amount of indemnifiable Losses which may be recovered for indemnification pursuant to (x) Section 8.2(a) or (y) Section 8.3(a), as the case may be, shall be an amount equal to $7,500,000.00 (the "**General Cap**"); provided, further, that (1) the foregoing limitations shall not apply to a claim for indemnification to the extent such claim is based upon a breach of any of the Fundamental Representations, or the representations and warranties contained in Section 4.5(c), Section 4.12(b), or Section 4.7 and (2) the General Cap shall not apply to a claim for indemnification pursuant to Section 8.2(a) for a breach of Section 4.12(a), (c) or (d) for which the maximum aggregate amount of indemnifiable Losses which may be recovered for indemnification shall be an amount equal to $15,000,000.00; and provided, further, that the maximum aggregate amount of Losses which may be recovered from Sellers and Parent pursuant to Section 8.2, on the one hand, and Purchaser pursuant to Section 8.3, on the other hand, in each case, shall not exceed an amount equal to the Purchase Price; provided, further, that for purposes of determining the amount of any Losses that are the subject of a claim for indemnification pursuant to Section 8.2(a) or Section 8.3(a), the representations and warranties made by Parent, Sellers or Purchaser, as applicable, shall be read without regard to any qualifications as to materiality or material adverse effect (or any correlative terms). Any indemnity by Sellers with respect to a breach of any of the representations and warranties contained in Section 4.7 (Tax Matters) shall be limited to Taxes that are incurred in or attributable to any Pre-Closing Period. Without limiting the foregoing, no Indemnified Party shall be entitled to indemnification under this Article VIII with respect to special, exemplary or punitive damages; provided, that damages payable to a Third Party by an Indemnified Party shall constitute direct damages notwithstanding the characterization of such damages vis-à-vis the Third Party.

8.5 Losses Net of Insurance, etc. The amount of any Loss for which indemnification is provided under Section 8.2 or Section 8.3 shall be net of (i) any amounts recovered by the Indemnified Party (net of any costs of investigation of the underlying claim and of collection) pursuant to any indemnification by or indemnification agreement (other than this Agreement) with any Person who is not an Affiliate of such Indemnified Party and (ii) any insurance proceeds under a third-party insurance policy (net of any costs of investigation of the underlying claim and of collection) in each case actually received in cash by such Indemnified Party with respect to such Loss (each source of recovery referred to in clauses (i) and (ii), a "**Collateral Source**"). If the amount to be netted hereunder in connection with a Collateral Source from any payment required under Section 8.2 or Section 8.3 is received after payment by the Indemnifying Party of any amount otherwise required to be paid to an Indemnified Party pursuant to this Article VIII, the Indemnified Party shall repay to the Indemnifying Party, promptly after such receipt, any amount that the Indemnifying Party would not have had to pay pursuant to this Article VIII had such receipt occurred at the time of such payment. Each Indemnified Party shall take commercially reasonable steps to mitigate any Losses as soon as reasonably practicable after such Indemnified Party becomes aware of any event which does, or could reasonably be expected to, give rise to any such Losses (including by pursuing recovery from any Collateral Source). Notwithstanding anything in Section 8.2, no Purchaser Indemnitee shall be entitled to indemnification in respect of any breach of any representation, warranty, covenant or other obligation of Sellers or Parent if and to the extent that Purchaser had actual knowledge of such breach on the date hereof.

8.6 Indemnification Procedure. (a) Promptly after the incurrence of any Losses by any Person entitled to indemnification pursuant to Section 8.2 or Section 8.3, including any claim by a Person described in Section 8.7 (an "**Indemnified Party**") which might give rise to indemnification hereunder, the Indemnified Party shall deliver to the party from which indemnification is sought (the "**Indemnifying Party**") a certificate (a "**Claim Certificate**"), which Claim Certificate shall:

(i) state that the Indemnified Party has paid or incurred Losses for which such Indemnified Party is entitled to indemnification pursuant to this Agreement; and

(ii) describe such Losses, the amount thereof, if known, or, if not known, provide a good faith estimate of the amount of such Losses, and the method of computation of such Losses, all with reasonable detail and the nature of the misrepresentation, breach of warranty, breach of covenant or claim to which such item is related and the computation of the amount to which such Indemnified Party claims to be entitled hereunder; provided, that the failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its indemnification obligations hereunder, except to the extent that the Claim Certificate is not delivered to the Indemnifying Party within the relevant survival period set forth in Section 8.1 or, and only to the extent that, the Indemnifying Party is actually and materially prejudiced thereby.

(b) The Indemnified Party making the claim shall not be required to admit or deny the validity of the facts or circumstances out of which such Losses arose.

(c) If the Indemnifying Party shall object to the indemnification of an Indemnified Party in respect of any Losses specified in any Claim Certificate, the Indemnifying Party shall, within twenty-five (25) days after receipt by the Indemnifying Party of such Claim Certificate, deliver to the Indemnified Party a notice to such effect, specifying in reasonable detail the basis for such objection, and the Indemnifying Party and the Indemnified Party shall, within the forty-five (45) day period beginning on the date of receipt by the Indemnified Party of such objection, attempt in good faith to agree upon the rights of the respective parties with respect to each of such Losses to which the Indemnifying Party shall have so objected. If the Indemnified Party and the Indemnifying Party shall succeed in reaching agreement on their respective rights with respect to any of such Losses, the Indemnified Party and the Indemnifying Party shall promptly prepare and sign a memorandum setting forth such agreement. Should the Indemnified Party and the Indemnifying Party be unable to agree as to any particular item or items or amount or amounts within such time period, then the Indemnified Party shall be permitted to submit such dispute to the courts set forth in Section 10.8.

(d) Claims for Losses specified in any Claim Certificate to which an Indemnifying Party shall not object in writing within twenty-five (25) days of receipt of such Claim Certificate, claims for Losses covered by a memorandum of agreement of the nature described in Section 8.6(c), and claims for Losses the validity and amount of which have been the subject of judicial determination or shall have been settled with the consent of the Indemnified Party, as described in Section 8.7(d), are hereinafter referred to, collectively, as "**Agreed Claims**". Within ten (10) Business Days of the determination of the amount of any Agreed Claim, the Indemnifying Party shall pay to the Indemnified Party an amount equal to the Agreed Claim by wire transfer in

immediately available funds to the bank account or accounts designated by the Indemnified Party in a notice to the Indemnifying Party not less than two (2) Business Days prior to such payment.

8.7 Third-Party Claims.

(a) If a claim by a Third Party (a "**Third-Party Claim**") is made against any Indemnified Party, and if such party intends to seek indemnity with respect thereto under this Section 8.7, such Indemnified Party shall promptly notify the Indemnifying Party of such Third-Party Claim by delivery of a Claim Certificate; provided, that the failure to so notify shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent that the Claim Certificate is not delivered to the Indemnifying Party within the relevant survival period set forth in Section 8.1 or the Indemnifying Party is actually and materially prejudiced thereby. The Indemnifying Party shall notify the Indemnified Party in writing, as promptly as possible (but in any case before the due date for the answer or response to the Third-Party Claim) after receipt of such notice of its election to assume the conduct and control, at the expense of the Indemnifying Party, through counsel of its choosing, of the settlement or defense of such Third-Party Claim and the Indemnified Party shall cooperate with it in connection therewith. Notwithstanding any other provision of this Agreement, Section 6.7(f) shall govern with respect to Tax Contests.

(b) Any Indemnified Party shall have the right to employ separate counsel for the purpose of participating with the Indemnifying Party and its counsel in the defense of such Third-Party Claim, but the fees and expenses of such counsel shall not be at the expense of the Indemnifying Party unless (i) the Indemnifying Party is not entitled to, or shall have failed to, assume the defense of such Third-Party Claim as set forth in Section 8.7(c), (ii) the employment of such counsel has been specifically authorized in writing by the Indemnifying Party or (iii) the named parties to any such action (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party and such Indemnified Party shall have been advised in writing by such counsel that there is a conflict of interest between the Indemnified Party and the Indemnifying Party. The Indemnified Party shall not pay or settle any such Third-Party Claim. Notwithstanding the foregoing, the Indemnified Party shall have the right to pay or settle any such Third-Party Claim only as to itself; provided, that in such event it shall waive any right to indemnity therefor by the Indemnifying Party for such Third-Party Claim unless the Indemnifying Party shall have consented to such payment or settlement.

(c) Notwithstanding anything in this Section 8.7 to the contrary, the Indemnified Party shall have the right to conduct and control, through counsel of its choosing at the expense of the Indemnifying Party, the defense, compromise and settlement of any Third-Party Claim (i) that seeks as the sole remedy an injunction or other equitable relief against the Indemnified Party, (ii) that seeks any remedy against the Indemnified Party that does not include the payment of money damages, (iii) to the extent that such claim seeks money damages in an amount that would be reasonably expected to exceed the then remaining limit on the Sellers' liability under Section 8.4 at the time such claim is submitted by the Indemnified Party or (iv) if the Indemnifying Party reasonably shall have concluded (upon advice of its counsel) that, with respect to such claims, the Indemnified Party and the Indemnifying Party are reasonably likely to have a conflict of interest. Additionally, if the Indemnifying Party does not notify the Indemnified Party in accordance with Section 8.7(a) that it elects to undertake the defense

thereof, the Indemnified Party shall have the right to contest, settle or compromise and otherwise control the defense of the Third-Party Claim through counsel of its choosing but shall not thereby waive any right to indemnity therefor pursuant to this Agreement.

(d) The Indemnifying Party shall not, except with the prior written consent of the Indemnified Party, enter into any settlement or compromise or consent to any judgment that (i) is not entirely indemnifiable by the Indemnifying Party pursuant to this Article VIII, (ii) does not include as an unconditional term thereof the giving by the Person or Persons asserting such Third-Party Claim to all Indemnified Parties of an unconditional release from all Liability with respect to such Third-Party Claim, (iii) includes any statement as to or an admission of fact, culpability or a failure to act, by or on behalf of the Indemnified Party, or (iv) involves any injunctive relief against the Indemnified Party that would be reasonably expected to materially and adversely affect the Indemnified Party.

(e) The Indemnified Party shall cooperate with the Indemnifying Party and its counsel in all reasonable respects in connection with the defense of any Third-Party Claim, including making available records relating to such Third-Party Claim and furnishing, without expense to the Indemnifying Party and/or its counsel, such employees of the Indemnified Party as may be reasonably necessary for the preparation of the defense of any such Third-Party Claim or for testimony as witnesses in any proceeding relating to such Third-Party Claim.

(f) The procedures in this Section 8.7 shall not apply to direct claims of the Seller Indemnitees or the Purchaser Indemnitees, which shall be governed by Section 8.6.

8.8 Sole Remedy/Waiver. The parties hereto acknowledge and agree that, except for (i) remedies that cannot be waived as a matter of Law, (ii) injunctive, equitable and provisional relief (including specific performance), and (iii) Losses as a result of or arising out of fraud, if the Closing occurs, the remedies provided for in this Article VIII shall be the sole and exclusive remedies for any breach of this Agreement or any claims relating to this Agreement, other documents, certificates or agreements delivered in connection with this Agreement, the Business, the Assumed Liabilities, the Purchased Assets, the Excluded Liabilities or otherwise.

8.9 Treatment of Indemnification Payments. Any payment made pursuant to the indemnification obligations arising under this Agreement shall be treated as an adjustment to the Purchase Price for all Tax purposes.

ARTICLE IX

TERMINATION

9.1 Termination Events. This Agreement may be terminated and the Purchase may be abandoned, at any time prior to the Closing:

(a) by mutual written consent of Sellers and Purchaser;

(b) by either Sellers or Purchaser, if:

(i) any court or other Governmental Entity shall have issued, enacted, entered, promulgated or enforced any Law or Order (that is final and non-appealable and that has not been vacated, withdrawn or overturned) restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement; provided, that the party seeking to terminate pursuant to this Section 9.1(b)(i) shall have complied with its obligations, if any, under Section 6.3; or

(ii) the Closing Date shall not have occurred on or prior to the date that is forty-five (45) days from the date of this Agreement (the "**End Date**"); provided, that neither party may terminate this Agreement pursuant to this Section 9.1(b)(ii) if such party is in material breach of this Agreement;

(c) by Sellers, if: (i) any of the representations and warranties of Purchaser contained in Article V shall fail to be true and correct or (ii) there shall be a breach by Purchaser of any covenant or agreement of Purchaser in this Agreement that, in either case, (x) would result in the failure of a condition set forth in Section 7.3(a) or Section 7.3(b) and (y) which is not curable or, if curable, is not cured upon the occurrence of the earlier of (1) the thirtieth (30th) day after written notice thereof is given by Sellers to Purchaser and (2) the day that is five (5) Business Days prior to the End Date; provided, that Sellers may not terminate this Agreement pursuant to this Section 9.1(c) if Sellers is in material breach of this Agreement; or

(d) by Purchaser, if: (i) any of the representations and warranties of any Seller contained in Article IV shall fail to be true and correct or (ii) there shall be a breach by any Seller of any covenant or agreement of Sellers or Parent in this Agreement that, in either case, (x) would result in the failure of a condition set forth in Section 7.2(a) or Section 7.2(b) and (y) which is not curable or, if curable, is not cured upon the occurrence of the earlier of (1) the thirtieth (30th) day after written notice thereof is given by Purchaser to Sellers or Parent and (2) the day that is five (5) Business Days prior to the End Date; provided, that Purchaser may not terminate this Agreement pursuant to this Section 9.1(d) if Purchaser is in material breach of this Agreement.

9.2 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 9.1 by Purchaser, on the one hand, or Sellers, on the other hand, written notice thereof shall forthwith be given to the other party specifying the provision hereof pursuant to which such termination is made, and this Agreement shall be terminated and become void and have no effect and there shall be no Liability hereunder on the part of Sellers or Purchaser, except that this Article IX (Termination) and Article X (Miscellaneous) shall survive any termination of this Agreement. Nothing in this Section 9.2 shall (a) relieve or release any party to this Agreement of any Liability or damages (which the parties hereto acknowledge and agree shall not be limited to reimbursement of expenses or out-of-pocket costs, and may include to the extent proven the benefit of the bargain lost (taking into consideration relevant matters, including other combination opportunities and the time value of money) arising out of such party's material breach of any provision of this Agreement or (b) impair the right of any party hereto to compel specific performance by the other party or parties, as the case may be, of such party's obligations under this Agreement.

ARTICLE X

MISCELLANEOUS

10.1 Expenses. Except as otherwise provided in this Agreement, whether or not the Closing occurs, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the party incurring such costs and expenses.

10.2 Extension; Waiver. Subject to the express limitations herein, the parties hereto may (a) extend the time for the performance of any of the obligations or other acts of the other party hereto, (b) waive any inaccuracies in the representations and warranties contained herein by the other party or in any document, certificate or writing delivered pursuant hereto by such other party or (c) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of any party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed by or on behalf of such party. No failure or delay on the part of any party hereto in the exercise of any right hereunder shall impair such right or be construed as a waiver of, or acquiescence in, any breach of any representation, warranty, covenant or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right.

10.3 Notices. Except as otherwise provided herein, all notices, requests, claims, demands, waivers and other communications hereunder shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier, facsimile or email transmission (in the case of telecopier, facsimile or email transmission, with copies by overnight courier service or registered mail) to the respective parties as follows (or, in each case, as otherwise notified by any of the parties hereto) and shall be effective and deemed to have been given (i) immediately when sent by telecopier, facsimile or email between 9:00 A.M. and 6:00 P.M. (New York City time) on any Business Day (and when sent outside of such hours, at 9:00 A.M. (New York City time) on the next Business Day) and (ii) when received if delivered by hand or overnight courier service or certified or registered mail on any Business Day:

(a) If to Parent or to Sellers, to:

c/o Iconix Brand Group, Inc.
1450 Broadway, 3rd Floor
New York, New York 10018
Attention: Jason Schaefer
Fax: (212) 391-2057
email: jschaefer@iconixbrand.com

with a copy (which shall not constitute notice or service of process) to:

White & Case LLP
1155 Avenue of the Americas
New York, New York 10036
Attention: Nazim Zilkha
Daren Orzechowski

Fax: (212) 354-8113
email: nzilkha@whitecase.com; dorzechowski@whitecase.com

(b) if to Purchaser, to:

c/o 360 Holdings I Corporation
666 Fifth Avenue
New York, NY 10103
Attention: Adam Gromfin
email: adam@merchsource.com;

with a copy (which shall not constitute notice or service of process) to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Steven Steinman
email: steven.steinman@friedfrank.com

Notices sent by multiple means, each of which is in compliance with the provisions of this Agreement will be deemed to have been received at the earliest time provided for by this Agreement.

10.4 Entire Agreement . This Agreement, together with the Exhibits hereto, the Sellers Disclosure Letter and the Purchaser Disclosure Letter and the Limited Guaranty, contain the entire understanding of the parties hereto with respect to the subject matter contained herein and supersedes all prior agreements and understandings, oral and written, with respect thereto, other than the Confidentiality Agreement. This Section 10.4 shall not be deemed to be an admission or acknowledgement by any of the parties hereto that any prior agreements or understandings, oral or written, with respect to the subject matter hereof exist, other than the Confidentiality Agreement. This Agreement expressly supersedes in its entirety that certain Letter of Intent, dated as of November 29, 2016, by and between Parent and 360 Holdings I Corp.

10.5 Binding Effect; Benefit; Assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors or assigns. Except with respect to Article VIII, which shall inure to the benefit of each Purchaser Indemnitee and Seller Indemnitee, all of whom are intended as express third-party beneficiaries thereof, no other Person not party to this Agreement shall be entitled to the benefits of this Agreement. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other party.

10.6 Amendment and Modification. This Agreement may not be amended except by a written instrument executed by all parties to this Agreement.

10.7 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument. Signed counterparts of this Agreement may be delivered by facsimile and by scanned .pdf image.

10.8 Applicable Law. THIS AGREEMENT AND THE LEGAL RELATIONS BETWEEN THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE CONFLICT OF LAWS RULES THEREOF. THE COURT OF CHANCERY OF THE STATE OF DELAWARE SHALL HAVE EXCLUSIVE JURISDICTION OVER ANY AND ALL DISPUTES BETWEEN THE PARTIES HERETO, WHETHER IN LAW OR EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE AGREEMENTS, INSTRUMENTS AND DOCUMENTS CONTEMPLATED HEREBY AND THE PARTIES CONSENT TO AND AGREE TO SUBMIT TO THE EXCLUSIVE JURISDICTION OF SUCH COURT. EACH OF THE PARTIES HERETO HEREBY WAIVES AND AGREES NOT TO ASSERT IN ANY SUCH DISPUTE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM THAT (A) SUCH PARTY IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURT, (B) SUCH PARTY AND SUCH PARTY'S PROPERTY IS IMMUNE FROM ANY LEGAL PROCESS ISSUED BY SUCH COURT OR (C) ANY LITIGATION OR OTHER PROCEEDING COMMENCED IN SUCH COURT IS BROUGHT IN AN INCONVENIENT FORUM.

THE PARTIES HEREBY AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING IN THE MANNER PROVIDED IN SECTION 10.3, OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW, SHALL BE VALID AND SUFFICIENT SERVICE THEREOF AND HEREBY WAIVE ANY OBJECTIONS TO SERVICE ACCOMPLISHED IN THE MANNER HEREIN PROVIDED.

10.9 Severability. If any term, provision, agreement, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, agreements, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any party hereto. Upon such a determination, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in a reasonably acceptable manner in order that the transactions contemplated hereby may be consummated as originally contemplated to the fullest extent possible.

10.10 Specific Enforcement; Limitation on Damages. The parties agree that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached or threatened to be breached and that an award of money damages would be inadequate in such event. Accordingly, it is acknowledged that the parties shall be entitled to equitable relief, without proof of actual damages, including an Order for specific performance to prevent breaches of this Agreement and

to enforce specifically the terms and provisions of this Agreement, in addition to any other remedy to which they are entitled at law or in equity as a remedy for any such breach or threatened breach. Each party further agrees that neither the other party nor any other Person shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 10.10, and each party hereto irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument. Each party further agrees that the only permitted objection that it may raise in response to any action for equitable relief is that it contests the existence of a breach or threatened breach of this Agreement.

10.11 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES, AND SHALL CAUSE ITS SUBSIDIARIES AND AFFILIATES TO WAIVE, ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10.12 Rules of Construction. The parties hereto agree that they have been represented by counsel during the negotiation and execution of this Agreement and have participated jointly in the drafting of this Agreement and, therefore, waive the application of any Law, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

10.13 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, Purchaser, Sellers and Parent have caused this Agreement to be duly executed by their respective officers thereunto duly authorized, all as of the date first above written.

ICON NY HOLDINGS LLC

By: /s/ David K. Jones
Name: David K. Jones
Title: Vice President and Treasurer

SHARPER IMAGE HOLDINGS LLC

By: /s/ David K. Jones
Name: David K. Jones
Title: CFP, Vice President and Treasurer

ICONIX LATIN AMERICA LLC

By: /s/ David K. Jones
Name: David K. Jones
Title: CFP, Vice President and Treasurer

ICONIX BRAND GROUP, INC.

By: /s/ David K. Jones
Name: David K. Jones
Title: Executive Vice President, CFO

360 HOLDINGS II-A LLC

By: /s/ Adam Gromfin
Name: Adam Gromfin
Title: Vice President

ANNEX A

INTERNATIONAL JOINT VENTURE TERRITORIES AND ASSET PURCHASE PRICES

International JV	Joint Venture Territory	JV Asset Purchase Price
Iconix Australia LLC	Australia and New Zealand	$250,000
ICO Brands L.P.	Canada	$500,000
Iconix MENA Ltd.	Algeria, Azerbaijan, Bahrain, Cameroon, Egypt, Gabon, Iraq, Cote D'Ivoire, Jordan, Kuwait, Kyrgizstan, Lebanon, Libya, Mauritania, Morocco, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Tunisia, Uganda, the United Arab Emirates and Yemen	$250,000
Iconix SE Asia Ltd.	Europe* and Turkey	$500,000
Iconix SE Asia Ltd.	Brunei, Cambodia, East Timor, Indonesia, Laos, Malaysia, Myanmar Philippines, Singapore, South Korea, Thailand, and Vietnam	$250,000
TOTAL		$1,750,000

*Europe is a part of the Iconix SE Asia joint venture and includes the following countries: Albania, Andorra, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Former Yugoslav Republic of Macedonia, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russia, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, Uzbekistan, United Kingdom (including for the avoidance of doubt the Crown Dependencies of Jersey, Guernsey and the Isle of Man) and Vatican City State.

Exhibit 10.65

ICONIX BRAND GROUP, INC.

EXECUTIVE SEVERANCE PLAN

TABLE OF CONTENTS

ICONIX BRAND GROUP, INC.
EXECUTIVE SEVERANCE PLAN

1. **Establishment and Purpose of Plan**

1.1 **Establishment.** The Iconix Brand Group, Inc. Executive Severance Plan (as amended from time to time, the *"**Plan**"*) is hereby established by the Compensation Committee of the Board of Directors of the Company.

1.2 **Effective Date.** The Plan is adopted on December 30, 2016 and shall become effective as of January 1, 2017.

1.3 **Purpose.** The purpose of the Plan is to provide certain key employees with specified levels of compensation and benefits in the event of a qualifying termination of employment subject to the satisfaction of certain terms and conditions.

2. **Definitions and Construction**

2.1 **Definitions.** Whenever used in the Plan, the following terms shall have the meanings set forth below:

(a) **"*Accrued Obligations*"** means the following:

(i) any salary and accrued but unused vacation, in each case earned but unpaid, through the date of Participant's termination of employment;

(ii) reimbursement, within ten (10) business days of submission of proper expense reports, which are submitted no later than thirty (30) days following Participant's termination of employment, of all expenses reasonably and necessarily incurred by Participant in connection with the business of the Company Group prior to his or her termination of employment, to the extent such expenses are reimbursable under the Company's expense reimbursement policy; and

(iii) vested benefits, if any, under any Company Group retirement plan, nonqualified deferred compensation plan, or any health or welfare benefit plan, to which Participant is entitled pursuant to the terms of such plans or related agreements.

(b) "*Additional Severance Benefits*" means, subject to a Participant's (a) timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), with respect to the Company Group's group health plans in which such Participant was participating on the date of such Participant's termination of employment and (b) continued timely payment by such Participant of premiums for such COBRA coverage, the Company shall pay such Participant monthly, as an additional taxable severance benefit, an amount equal to the dollar amount of the premium cost for the group health coverage elected by such Participant under COBRA that the Company Group pays on behalf of similarly situated active executives of the Company Group until the earlier of (x) such Participant ceasing to be eligible for COBRA coverage, and (y) such Participant becoming

eligible for coverage under the health plan of a subsequent employer (and by accepting receipt of Additional Severance Benefits, a Participant agrees to notify the Company of eligibility for coverage under the health plan of a subsequent employer).

(c) "***Base Salary***" means the annual base salary in effect immediately prior to any termination of employment (without giving effect to any reduction forming the basis for a termination for Good Reason). For the avoidance of doubt, Base Salary does not include any bonuses, commissions, fringe benefits, car allowances, or other special or irregular payments.

(d) "***Board***" means the Board of Directors of the Company.

(e) "***Cause***" means any of the following:

(i) A Participant's willful and continued failure to substantially perform his or her obligations (other than any such failure resulting from such Participant's incapacity due to any physical or mental illness); *provided*, *however*, that the Company shall have provided Participant with written notice of such failure and such Participant shall have been afforded at least thirty (30) days to cure such failure to the extent the failure is capable of cure;

(ii) A Participant's conviction of or plea of guilty or *nolo contendere* to, a felony or any other crime involving moral turpitude or dishonesty;

(iii) A Participant's willfully engaging in misconduct in the performance of his or her duties for the Company Group (including theft, fraud, embezzlement, and securities law violations or a violation of the Company's Code of Conduct or other material written policies) that, in the good faith determination of the Board is injurious or potentially injurious to the Company Group, monetarily or otherwise; or

(iv) A Participant's willfully engaging in misconduct other than in the performance of his duties for the Company Group (including theft, fraud, embezzlement, and securities law violations) that, in the good faith determination of the Board, is materially injurious to the Company Group or is potentially materially injurious to the Company Group, monetarily or otherwise.

For purposes of this Section 2.1(e), no act, or failure to act, on the part of a Participant shall be considered to have been "willfully" performed or omitted, unless done, or omitted to be done, by him or her in bad faith and without reasonable belief that his or her action or omission was in, or not opposed to, the best interest of the Company Group (including, without limitation, the best interest of the reputation of the Company Group).

(f) "***Change in Control***" shall have the meaning specified in the Company's 2016 Omnibus Incentive Plan, as amended from time to time, or any successor plan thereto.

(g) "***Change in Control Protection Period***" means the period commencing on the date a Change in Control is consummated and ending 24 months following the date of such consummation. There shall be only one Change in Control Protection Period in effect for each Participant.

(h) "***Code***" means the Internal Revenue Code of 1986, as amended, or any successor thereto and any applicable regulations promulgated thereunder.

(i) "***Committee***" means the Compensation Committee of the Board.

(j) "***Company***" means Iconix Brand Group, Inc., a Delaware corporation, or its successor.

(k) "***Company Group***" means the group consisting, from time to time, of the Company and each and subsidiary company, and their respective affiliates.

(l) "***Director***" means a member of the Board.

(m) "***Disability***" shall mean a Participant's inability to perform his or her essential duties and responsibilities for the Company Group, with or without reasonable accommodation, due to any physical or mental illness or incapacity, which condition either (i) has continued for a period of 180 days (including weekends and holidays) in any consecutive 365-day period, or (ii) is projected by the Board in good faith after consulting with a doctor selected by the Company Group and consented to by a Participant (or, in the event of a Participant's incapacity, his legal representative), such consent not to be unreasonably withheld or delayed, that the condition is likely to continue for a period of at least six (6) consecutive months from its commencement.

(n) "***Good Reason"*** shall mean with respect to a Participant that, without his or her prior consent, one or more of the following events has occurred:

(i) Either before or after a Change in Control Protection Period:

(1) a material reduction in a Participant's Base Salary, other than as part of an across-the-board salary reduction applied to all similarly situated executives (but in any event not to exceed 10%);

(2) any reduction in a Participant's target annual cash bonus opportunity as a percentage of his or her salary; or

(3) relocation of the principal place of work of a Participant to a facility or location more than fifty (50) miles from his or her principal place of work, resulting in a material increase to his or her normal commute;

(ii) During a Change in Control Protection Period:

(1) any reduction in a Participant's Base Salary;

(2) any reduction in a Participant's target annual cash bonus opportunity as a percentage of his or her salary;

(3) relocation of the principal place of work of a Participant to a facility or location more than fifty (50) miles from his or her principal place of work, resulting in a material increase to his or her normal commute;

(4) a material diminution of title, authorities, duties or responsibilities of a Participant from those in effect immediately prior to the Change in Control (other than temporarily while a Participant is physically or mentally incapacitated and unable to properly perform such duties, as determined by the Committee in good faith);

(5) a change in the reporting structure as a result of which a Participant reports to someone other than the Chief Executive Officer of the Company; or

(6) the Company's failure to obtain, within ten (10) days after the date of the Change in Control, the express assumption of the Plan by the successor entity;

provided, however, in all cases, that the Participant who is asserting that an event constituting Good Reason has occurred has provided the Company with written notice of the circumstances giving rise to the Good Reason event (a "***Good Reason Notice***") within sixty (60) days after the initial existence of such circumstances. An event constituting Good Reason shall no longer constitute Good Reason if the circumstances described in the Good Reason Notice are cured by the Company Group within thirty (30) days following receipt of the Good Reason Notice. If the Company Group does not cure the circumstances giving rise to the Good Reason event described in the Good Reason Notice within thirty (30) days after receipt of the Good Reason Notice, the Participant who provided the Good Reason Notice may resign for Good Reason by terminating employment within thirty (30) days following the end of the Company Group's thirty (30) day cure period.

(o) "***Non-Compete Documents***" has the meaning set forth in Section 6.1 hereof.

(p) "***Non-Compete Period***" with respect to a Participant means the period beginning on the date of such Participant's commencement of participation in the Plan and ending 18 months after such Participant's termination of employment for any reason.

(q) "***Participant***" means each Company Group employee (i) who holds the title of Executive Vice-President, or an equivalent officer title, and who reports directly to the Company's Chief Executive Officer and (ii) who has executed a Participation Agreement.

(r) "***Participation Agreement***" means an agreement in the form attached hereto as Exhibit A or in such other form as the Committee may approve from time to time. The terms of such forms of Participation Agreement need not be identical with respect to each Participant. In addition, the compensation and benefits payable upon a Qualifying Termination, which are set forth in a Participation Agreement, may differ from Participant to Participant and from the default provisions set forth in the Plan.

(s) "***Qualifying Termination***" means the occurrence of either of the following events:

(i) involuntary termination by the Company Group of a Participant's employment without Cause; or

(ii) a Participant's resignation from employment with the Company Group for Good Reason;

provided, *however*, that Qualifying Termination shall not include any termination of a Participant's employment which is (A) for Cause, (B) a result of Participant's death or Disability, or (C) a result of a Participant's resignation other than for Good Reason.

(t) "***Release***" means a full general release in favor of the Company Group and any of its affiliates, stockholders, Directors, officers, employees, agents, insurers, predecessors and successors and/or assigns, and other related parties (including, without limitation, fiduciaries of employee benefit plans) releasing all claims, known or unknown in a form acceptable to the Company Group.

(u) "***Section 409A"*** means Section 409A of the Code and any applicable regulations (including proposed or temporary regulations) and other administrative guidance promulgated thereunder.

(v) "***Specified Employee***" means a specified employee within the meaning of Section 409A.

(w) "***Target Bonus***" means the target annual cash bonus opportunity as in effect immediately prior to any termination of employment (without giving effect to any reduction forming the basis, in whole or in part, for a termination for Good Reason).

2.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. **Termination of Employment**

3.1 **Qualifying Termination Either Before or After a Change in Control Protection Period.** If a Participant incurs a Qualifying Termination either before or after a Change in Control Protection Period, such Participant shall be eligible to receive:

(a) any Accrued Obligations, and

(b) *provided* that (x) such Participant has complied with and continues to comply with his or her obligations under Section 4 hereof and his or her obligations under any Non-Compete Documents and (y) within sixty (60) days following such Qualifying Termination, the Participant has delivered to the Company an executed Release and such Release has become effective, enforceable and irrevocable in accordance with its terms:

(i) any annual cash bonus that is earned but unpaid for the prior fiscal year, payable at such time as bonuses for such prior fiscal year are paid to the Company's executives generally;

(ii) payments during 18 months of an amount equal to such Participant's monthly Base Salary. Such payments shall commence with the first payroll period after such Participant's Release has become irrevocable and shall be made in accordance with the Company's payroll practices and policies then in effect;

(iii) a pro-rata portion of the annual cash bonus for the fiscal year in which termination occurs based on actual results for such year (determined by multiplying the amount of such annual bonus which would be due for the full fiscal year by a fraction, the numerator of which is the number of days during the fiscal year of termination that the Participant is employed by the Company Group and the denominator of which is 365), payable at such time as bonuses for the fiscal year of termination are paid to the Company's executives generally. In the event that the Company has not established performance goals for the annual bonus plan with respect to the fiscal year during which the Participant's employment terminates, the pro-rata portion of the bonus shall be based on the Participant's target annual cash bonus opportunity and such amount shall be payable at such time as bonuses for the fiscal year of termination are paid to the Company's executives generally (subject to the achievement of the applicable performance goals established in due course by the Committee for the Company's executives generally); and

(iv) eligibility for Additional Severance Benefits.

3.2 **Qualifying Termination During a Change in Control Protection Period.** If a Participant incurs a Qualifying Termination during a Change in Control Protection Period, such Participant shall be eligible to receive:

(a) any Accrued Obligations, and

(b) *provided* that (x) such Participant complies with his or her obligations under Section 4 hereof and his or her obligations under any Non-Compete Documents and (y) within sixty (60) days following such Qualifying Termination, the Participant has delivered to the Company an executed Release and such Release has become effective, enforceable and irrevocable in accordance with its terms:

(i) any annual cash bonus that is earned but unpaid for the prior fiscal year, payable at such time as bonuses for such prior fiscal year are paid to the Company's executives generally;

(ii) an amount equal to two (2) times the sum of such Participant's Base Salary and Target Bonus, payable in a single lump sum as soon as administratively feasible after the 60th day following the termination date;

(iii) a pro-rata portion of the annual cash bonus for the fiscal year in which termination occurs based on actual results if determinable (or based on the target level of performance if not determinable) for such year (determined by multiplying the amount of such annual bonus which would be due for the full fiscal year by a fraction, the numerator of which is the number of days during the fiscal year of termination that the Participant is employed by the Company Group and the denominator of which is 365), payable in a single lump sum as soon as administratively practicable after the 60th day following the termination date; and

(iv) eligibility for Additional Severance Benefits.

3.3 **Other Terminations.**

(a) If a Participant's termination of employment results from any reason other than a Qualifying Termination, such Participant shall be eligible only to receive (i) his or her Accrued Obligations and (ii) for a termination other than by the Company for Cause or by the Participant without Good Reason, any annual cash bonus that is earned but unpaid for the prior fiscal year, payable at such time as bonuses for such prior fiscal year are paid to the Company's executives generally.

(b) Notwithstanding any other provision in the Plan to the contrary, if a Participant terminates his or her employment for Good Reason or a Participant's employment is terminated by the Company without Cause, and it is subsequently determined that grounds for termination for Cause existed, then such Participant shall be deemed to not have had a Qualifying Termination, and such Participant (x) shall be eligible only to receive his or her Accrued Obligations, and (y) shall return to the Company, upon written demand, all amounts paid to such Participant pursuant to Section 3.1(b) or Section 3.2(b); provided, that if a Participant is required to repay amounts to the Company pursuant to this Section 3.3(b), such Participant shall indemnify the Company for all costs (including, without limitation, reasonable attorneys' fees and expenses) that the Company incurs in collecting such repayment, should the Participant fail to timely make such repayment within 15 days of such written demand.

3.4 **Treatment of Outstanding Equity Awards** . Any unvested amounts subject to equity awards granted under the Company's 2016 Omnibus Incentive Plan, as amended from

time to time, or under any other shareholder approved equity plan of the Company, shall vest if and to the extent provided for in the applicable equity award agreement and as otherwise provided in the applicable equity incentive plan.

4. **Certain Restrictive Covenants**

4.1 Except in the good faith performance of his or her duties to the Company Group, or where required by law, statute, regulation or rule of any governmental body or agency, or pursuant to a subpoena or court order, a Participant shall not divulge to anyone, either during or at any time after the termination of his or her employment for any reason, any information constituting a trade secret or other confidential information acquired by such Participant during his or her employment by the Company Group concerning the Company Group or its licensees, including but not limited to the names and other identifying information of the Company Group's licensees, or the revenues, pricing, business systems, business strategies and processes of the Company Group, to the extent such information (i) is not generally known by the public and (ii) is treated as confidential information by the Company ("***Confidential Information***").

4.2 During a Participant's Non-Compete Period, he or she shall not, directly or indirectly, in any location in which the Company Group or any licensees of the Company Group operate or sell products, have an interest in or render any services (whether as an owner, manager, lender, partner, stockholder, joint venturer, employee, director, consultant, independent contractor or otherwise) for any Competitor of the Company Group. Notwithstanding the foregoing, in the event that a Participant has a Qualifying Termination during a Change in Control Protection Period, such Participant's Non-Compete Period for purposes of this Section 4.2 (but not for purposes of Section 4.3 or Section 4.4) shall end on the date of such Qualifying Termination.

(a) For purposes of this Section 4.2, ***a Competitor of the Company Group*** with respect to a Participant shall mean:

(i) Any individual or entity that is in the business of buying and selling brands and licensing the intellectual property related to such brands to third parties (the "***Company's Primary Activity***"), including by way of example as of the Effective Date, and not in limitation of the foregoing definition, Sequential Brands, Inc.; or

(ii) Any individual or entity that during such Participant's Non-Compete Period competes with any business activity, which does not constitute the Company's Primary Activity, that during the period of such Participant's employment with the Company Group the Company conducts or the Company, pursuant to Board approval, plans to conduct (such other business activity or planned business activity being an "***Other Competitive Activity***"); *provided*, that for purposes of this clause (ii), an individual or entity that engages in an Other Competitive Activity with respect to a Participant shall not be a Competitor of the Company unless the Participant has actual supervisory duties or authority over such Other Competitive Activity.

(b) Notwithstanding the foregoing provisions of this Section 4.2, nothing herein shall prevent Participant from passively owning stock in a publicly traded corporation whose activities compete with those of the Company Group, provided that such stock holdings are not greater than two percent (2%) of the issued and outstanding shares of such corporation.

4.3 Participant shall not, during the Non-Compete Period, directly or indirectly, take any action which intentionally interferes with or disrupts any of the Company Group's business activities including, without limitation, the solicitation of the Company Group's customers, suppliers, lessors, lessees, licensors, or licensees, to terminate or diminish their relationship with the Company Group; *provided* that the restrictions described in this Section 4.3 shall apply during a Participant's Non-Compete Period only with respect to individuals or entities who are as of such Participant date of termination of employment, or who have been during the final two (2) years prior thereto, customers, suppliers, lessors, lessees, licensors or licensees.

4.4 During a Participant's Non-Compete Period, such Participant shall not, without the prior written consent of the Company's Chief Executive Officer, directly or indirectly, on behalf of such Participant or any third party, hire, offer to hire, entice, solicit or in any other manner persuade or attempt to persuade any employee of the Company Group to discontinue or alter his or her employment with the Company Group or hire or offer to hire any individual who was an employee of the Company Group within the six (6)-month period immediately prior to the date on which such Participant hired or offered to hire such individual. The restrictions in this Section 4.4 shall not prohibit Participant from publishing or advertising any general solicitation for employment not specifically targeted at any Company Group employee.

4.5 At no time during or after the termination of a Participant's employment, shall a Participant, directly or indirectly, disparage the Company Group or any of the Company Group's past or present employees, directors, products or services; *provided*, *however*, nothing in the Plan shall restrict a Participant (i) from giving truthful testimony or statements in connection with any judicial proceeding or other governmental investigation or proceeding or (ii) from communicating in any way with any governmental entity regarding any incident that a Participant believes constitutes a possible violation of law.

4.6 In the event that a Participant's receives reasonable notice from the Company Group (including the Company's outside counsel), either while employed by the Company Group or at any time thereafter, such Participant shall respond and provide information with regard to matters of which the Participant has knowledge as a result of the Participant's employment with the Company Group, and will provide reasonable assistance to the Company Group and its representatives in defense of any claims that may be made against the Company Group, and will provide reasonable assistance to the Company Group in the prosecution of any claims that may be made by the Company Group, to the extent that such claims may relate to matters related to the Participant's employment with the Company Group. Any request for such assistance by a Participant shall take into account such Participant's other personal and business commitments. If a Participant is required to provide any services pursuant to this Section 4.6 following termination of employment, upon presentation of appropriate documentation, the

Company shall promptly reimburse the Participant for reasonable out-of-pocket expenses incurred by the Participant in connection with the performance of such services; *provided*, that any such reimbursements shall be subject to, and shall be made in accordance with, the Company's expense reimbursement policy.

4.7 In the event that a Participant is requested to assist in any investigation of the Company Group, including without limitation any investigation of the actions or activities of the Company Group, the Board or any officer or employee of the Company Group, regardless of whether a lawsuit or other proceeding has then been filed with respect to such investigation, such Participant shall (i) promptly inform the Company Group (to the extent Participant is legally permitted to do so) of such request and (ii) shall not, without the prior consent of the Board, assist in such investigation, unless the Participant shall be legally required to assist in the investigation.

4.8 In the event that a Participant breaches any of the covenants or obligations contained in this Section 4 or contained in any Non-Compete Documents, such Participant shall promptly repay any amounts previously paid to such Participant pursuant to Section 3.1(b) or Section 3.2(b) hereof upon demand by the Company. Because the breach of any of the covenants contained in this Section 4 will result in irreparable damage and injury to the Company Group, the Company shall be entitled to seek a temporary restraining order and/or a preliminary or permanent injunction in any court of competent jurisdiction restraining Participant from engaging in activities prohibited by this Section 4 or such other relief as may be required specifically to enforce any of the covenants in this Section 4.

4.9 If for any reason a court determines that the restrictions under this Section 4 are not reasonable or that consideration therefor is inadequate, to the maximum extent permitted by law, such restrictions shall be interpreted or modified to include as much of the duration and scope identified in this Section 4 as will render such restrictions valid and enforceable.

4.10 Nothing herein shall be interpreted or applied to prohibit a Participant from making any good faith report to any governmental agency or other governmental entity concerning any acts or omissions that he or she may believe to constitute a possible violation of federal or state law or making other disclosures that are protected under the whistleblower provisions of applicable federal or state law or regulation. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, a Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

4.11 To the extent applicable, the covenants set forth in this Section 4 shall be interpreted to comply with the applicable Rules of Professional Conduct governing attorneys, including but not limited to New York Rule of Professional Conduct 5.6.

5. **No Contract of Employment**

Neither the establishment of the Plan, nor any amendment thereto, nor the payment or provision of any benefits pursuant to the Plan shall be construed as giving any person the right to be employed by the Company Group. The employment relationship between each Participant and the Company Group is an "at-will" relationship. Accordingly, either the Participant or any member of the Company Group may terminate the relationship at any time. Following the termination of a Participant's employment for any reason, the Participant shall hold no further office or position with the Company Group; provided, further, that upon notice by either the Company or a Participant terminating the Participant's employment for any reason, the Company, in its sole discretion, may require the Participant to remain away from the Company Group's offices.

6. **Conflict in Benefits; Noncumulation of Benefits; Exclusive Remedy**

6.1 **Effect of Plan.** The terms of the Plan, when accepted by a Participant pursuant to an executed Participation Agreement, shall supersede all prior arrangements, whether written or oral, and understandings regarding the subject matter of the Plan (including, but not limited to any severance provisions under any employment agreement entered into prior to the effective date of his or her Participation Agreement), and shall be the exclusive agreement for the determination of any severance payments and benefits due to such Participant. The foregoing notwithstanding, the terms of the Plan do not supersede or take priority over the terms or conditions of any agreement relating to maintaining the confidentiality of Company Group information, the assignment of inventions to Company, non-competition against the Company Group, and/or nonsolicitation of Company Group employees, or any other agreements containing restrictive covenants intended to protect the business and goodwill of the Company Group, between a Participant and the Company Group (any such agreements the "***Non-Compete Documents***"). This Plan and any Non-Compete Documents shall be treated and interpreted as complementary, and in the event of any conflict between certain provision(s) in the Plan and certain provision(s) in a Non-Compete Document, the provision(s) of the document which is regarded as most beneficial to the Company's interests, as determined in the Committee's sole discretion, is the provision(s) that shall be applicable and applied.

6.2 **Noncumulation of Benefits**. Except as expressly provided in a written agreement between a Participant and the Company entered into after the date of such Participant's Participation Agreement and which and is approved by the Board or the Committee, the total amount of payments and benefits that may be received by such Participant as a result of the events described in Section 3 pursuant to (a) the Plan, (b) any agreement between such Participant and the Company, or (c) any other plan, practice, or statutory obligation of the Company, shall not exceed the amount of payments and benefits provided by the Plan upon such events, and the aggregate amounts payable under the Plan shall be reduced to the extent of any excess (but not below zero).

6.3 **Exclusive Remedy.** The payments provided by Section 3 hereof shall constitute the sole and exclusive remedy of a Participant for any alleged injury or other damages arising out of the cessation of such Participant's employment relationship with the Company, and a Participant shall not be entitled to any other payments or other benefits from the Company Group as compensation for any such alleged injuries or other damages.

7. **Administration, Termination, and Amendment of Plan**

7.1 **Administration**. The Committee shall act as the plan administrator of the Plan. The Committee has the sole discretion and authority to administer the Plan, including the sole discretion and authority to:

(a) adopt such rules as it deems advisable in connection with the administration of the Plan, and to construe, interpret, apply and enforce the Plan and any such rules and to remedy ambiguities, errors or omissions in the Plan;

(b) determine questions of eligibility and entitlement to benefits and interpret the terms and provisions of the Plan;

(c) act under the Plan on a case-by-case basis; the Committee's decisions under the Plan need not be uniform with respect to similarly situated Participants; and

(d) delegate its authority under the Plan to any director, officer, employee, or group of directors, officers and/or employees of the Company; provided that if any person with administrative authority becomes eligible or makes a claim for Plan benefits, that person will have no authority with respect to any matter specifically affecting his/her individual interest under the Plan, and the Committee will designate another person to exercise such authority.

Any determination of the Committee shall be final and conclusive, and shall bind and may be relied upon by the Company Group, each of the Participants and all other parties in interest.

7.2 **Amendment and Termination of the Plan**. Subject to compliance with the requirements of Section 409A, the Committee may amend or terminate the Plan in any respect (including any change to the severance benefits) at any time; *provided, however*, that any amendment that would defer the payment or reduce the amount of severance benefits hereunder to any Participant, or any action that would remove a Participant from participation in the Plan, or any amendment that would revise the definition of Good Reason or Cause in a manner that adversely affects Participants, or any termination of the Plan (each an "***Adverse Action***") shall be effective only with one (1) year's prior written notice to affected Participant(s); *provided further, however*, that no Adverse Action may be adopted or become effective during a Change in Control Protection Period. Notwithstanding the foregoing, the limitations on the timing of Adverse Actions may be waived in writing by any affected Participant.

8. **Claims for Benefits**

8.1 **ERISA Plan.** This Plan is intended to be an employee welfare benefit plan as defined in Section 3(1) of Employee Retirement Income Security Act of 1974 (*"**ERISA**"*) that is maintained for the benefit of a select group of management or highly compensated employees of the Company Group.

8.2 **Claims for Benefits.**

(a) Any employee or other person who believes he or she is entitled to any payment under the Plan (a "***Claimant***") may submit a claim in writing to the Company's highest level officer in charge of Human Resources (the *"**Claims Administrator**"*), with a copy to the Company's General Counsel; *provided*, that in the event that the Claimant seeking benefits would otherwise be the Claims Administrator, then the Company's Chief Executive Officer shall act as the Claims Administrator.

(b) If a claim for benefits is denied, the Claims Administrator shall provide written notice to the Claimant of the denial within ninety (90) days after the claim's submission. The notice shall be written in a manner calculated to be understood by the Claimant and shall include:

(1) The specific reason or reasons for the denial;

(2) References to the specific Plan provisions on which the denial is based;

(3) A description of any additional material or information necessary for the applicant to perfect the claim and an explanation of why such material or information is necessary; and

(4) A description of the Plan's claims review procedures and the time limits applicable to such procedures, and a statement of Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

(c) If special circumstances require an extension of time for processing a claim, a written notice of the extension and the reason therefor shall be furnished to Claimant before the end of the initial ninety (90) day period. In no event shall such extension exceed ninety (90) days.

8.3 **Appeal of Denial of Claim**.

(a) If a claim is denied, Claimant, at Claimant's sole expense, may appeal the denial to the Committee (the "***Appeals Administrator***") within sixty (60) days of the receipt of written notice of the denial. In pursuing such appeal Claimant or his or her duly authorized representative:

(1) may request in writing that the Appeals Administrator review the denial;

(2) may receive, upon request and free of charge, reasonable access to documents, records and other information relevant to the claim for benefits; and

(3) may submit documents, records and comments and other information in writing.

(b) Upon receipt of a request for review from a Claimant, the Appeals Administrator shall make a full and fair evaluation. The decision on review shall be made by the Appeals Administrator within sixty (60) days of receipt of the request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than one hundred twenty (120) days after receipt of the request for review. If such an extension of time is required, written notice of the extension shall be furnished to Claimant before the end of the original sixty (60) day period. The decision on review shall be made in writing, shall be written in a manner calculated to be understood by Claimant, and, if the decision on review is a denial of the claim for benefits, shall include:

(1) The specific reason or reasons for the denial;

(2) References to the specific Plan provisions on which the denial is based;

(3) A statement that Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to Claimant's claim for benefits; and A statement of claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination.

9. **Notices**

9.1 **General.**

(a) For purposes of the Plan, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States certified mail, return receipt requested, or by overnight courier, postage prepaid, as follows:

(1) If to the Company or the Board:

Iconix Brand Group, Inc.
1450 Broadway, 3rd Floor
New York, New York 10018
Attention: Corporate Secretary
(with a copy to General Counsel)

(2) If to a Participant, at the home address which such Participant most recently communicated to the Company in writing.

(b) The Company may provide Participants with notice of a change of address, and a Participant the Company with notice of a change of address, pursuant to Section 9.1(a) hereof.

9.2 **Notice of Termination of Employment.** Any termination by the Company of a Participant's employment or any resignation of employment by a Participant shall be communicated by a notice of termination or resignation to the other party hereto given in accordance with Section 9.1. Such notice shall indicate the specific termination provision in the Plan relied upon, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and shall specify the termination date.

10. **Certain Federal Tax Considerations**

10.1 **Internal Revenue Code Section 409A**.

(a) The amounts payable under the Plan are intended to comply with or be exempt from Section 409A, and all provisions of the Plan shall be interpreted and construed in a manner that establishes an exemption from or compliance with the requirements for avoiding additional taxes or interest under Section 409A(a)(1)(B) of the Code. In no event whatsoever will the Company Group, or any Board member, officer or employee of the Company Group acting on behalf of the Company Group, be liable for any additional tax, interest or penalties that may be imposed on a Participant under Section 409A or any damages for failing to comply with Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of the Plan providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of the Plan, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If a Participant is deemed on the date of termination to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B)(i) of the Code, then with regard to any payment or the provision of any benefit that is considered deferred compensation under Section 409A payable on account of a "separation from service," such payment or benefit shall be made or provided on the date which is the earlier of (i) the first day of the seventh (7th) month following the date of such "separation from service" of such Participant, and (ii) the date of such Participant's death (the "***Delay Period***"). Upon the expiration of the Delay Period, all of the payments of a Participant delayed pursuant to this Section 10.1(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid to such Participant in a lump sum, without interest, and any remaining payments and benefits due such Participant under the Plan shall be paid or provided in accordance with the payment dates specified herein for such payments or benefits.

(c) (i) All reimbursements of expenses provided for herein shall be payable in accordance with the Company's expense reimbursement policies in effect from time to time, but in any event shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Participant seeking reimbursement, (ii) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year, and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchanged for another benefit.

(d) For purposes of Section 409A, a Participant's right to receive any installment payments pursuant to the Plan shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under the Plan specifies a payment period with reference to a number of days (e.g., "payment shall be made within sixty (60) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of Company.

(e) To the extent any payment or benefit which constitutes Section 409A deferred compensation is contingent upon the execution and non-revocation of a Release, then such payment or benefit shall not commence until the later of (i) the first payroll date occurring on or after the sixtieth (60th) day following Participant's "separation from service," and (ii) the set payment date otherwise established for commencing the payments and/or benefits.

(f) Notwithstanding any provision of the Plan to the contrary, to the extent that any amount constituting Section 409A deferred compensation would become payable in a lump sum under the Plan by reason of a Change in Control, such amount shall become payable in a lump sum only if the event constituting a Change in Control would also constitute a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A (a "***409A Change in Control***"). The portion of any payment or benefit which constitutes Section 409A deferred compensation and which would otherwise be payable in a lump sum pursuant to Section 3.2 hereof upon a Change in Control that does not qualify as a 409A Change in Control shall be paid based upon the time and form of payment set forth in Section 3.1 hereof, and with respect to other awards or programs in accordance with the plan or other documents governing such award.

10.2 **Internal Revenue Code Section 280G Contingent Cutback**.

(a) If any payment(s) or benefit(s) that a Participant would receive pursuant to the Plan and/or pursuant to any other agreement, plan, policy or arrangement would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and the applicable regulations, and (ii) but for this Section 10.2 or any reduction provided by reason of Section 280G of the Code in any such other agreement, plan, policy or arrangement, would be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Participant shall be entitled to receive either (A) the full amount of the parachute payments, or (B) the maximum amount that may be provided to such Participant without resulting in any portion of such parachute payments being subject to the Excise Tax, whichever of clauses (A) and (B), after taking into account applicable federal, state, and local taxes and the Excise Tax, results in the receipt by such Participant, on an after-tax basis, of the greatest portion of the parachute payments. To the extent any of such payments or benefits are Section 409A deferred compensation, any reduction for purposes of clause (B) shall be made in the following order: (i) cash severance payments that are exempt from Section 409A shall be reduced; (ii) other cash payments and benefits that are exempt from Section 409A, but excluding any payments attributable to an acceleration of vesting or payments with respect to equity-based compensation that are exempt from Section 409A, shall be reduced; (iii) any other payments or benefits, but excluding any payments attributable to an acceleration of vesting and payments with respect to equity-based compensation that are exempt from Section 409A, shall be reduced on a pro-rata basis or in such other manner that complies with Section 409A; and (iv) any payments attributable to an acceleration of vesting or payments with respect to equity-based compensation that are exempt from Section 409A shall be reduced, in each case beginning with payments that would otherwise be made last in time.

(b) Unless the Company and a Participant otherwise agree in writing, any determination required under Section 10.2(a) hereof shall be made in writing by the Company's independent public accountants (the "***Accountants***"), whose determination shall be conclusive and binding upon such Participant and the Company for all purposes. For purposes of making the calculations required by Section 10.2(a) hereof, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and such Participant shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under Section 10.2(a) hereof. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this provision.

11. **Additional Provisions**

11.1 **Choice of Law**. Except to the extent pre-empted by ERISA or other Federal law, the Plan shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of law provisions.

11.2 **Arbitration**. Except as set forth in Section 4.8 hereof, the Company and each Participant, by executing a Participation Agreement, agree that any dispute or controversy arising under or in connection with the Plan or a Participant's employment with the Company Group, including without limitation the denial of any claim pursuant to Section 8.2 hereof, shall be settled exclusively by arbitration, conducted before a single arbitrator in New York, New York in accordance with the Commercial Arbitration Rules and Procedures of the American Arbitration Association then in effect. The decision of the arbitrator will be final and binding upon the parties hereto. Judgment may be entered on the arbitrator's award in any court having jurisdiction. The arbitrator shall have the authority to make an award of monetary damages and interest thereon. The arbitrator shall have no authority to award specific performance or an injunction, or punitive or exemplary damages. The arbitrator will have no authority to order a modification or amendment of the Plan or any Participation Agreement.

11.3 **Attorneys' fees and Costs of Arbitration.** In connection with any court proceeding or arbitration commenced in connection with the Plan or a Participant's employment with the Company Group and regardless of the outcome of such court proceeding or arbitration (a) each party to such proceeding or arbitration shall pay all its own costs and expenses, including without limitation its own legal fees and expenses, and (b) any joint expenses shall be borne equally among the parties. Notwithstanding the preceding sentence, in the event that a Participant commences arbitration to enforce the provisions of the Plan, and (i) such Participant prevails in at least one material issue in controversy in such arbitration, and (ii) the Company does not prevail in any claim brought by the Company (either in such arbitration or in a court proceeding) that such Participant has breached such Participant's covenants and obligations under Section 4 hereof or in any Non-Compete Documents, then all expenses (including reasonable attorneys' fees and expenses) of such Participant in such arbitration shall be paid by the Company.

11.4 **Unfunded Obligation.** All amounts payable to Participants pursuant to the Plan are unfunded obligations of the Company. The Company shall not be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. Payments under the Plan shall be made, as due, from the general funds of the Company. The Plan shall constitute solely an unsecured promise by the Company to make such payments to the extent provided herein.

11.5 **Recoupment and Offset.** The Company has the unilateral right, in its sole discretion, to offset the payment of benefits under the Plan against amounts due from a Participant under the Company's clawback/recoupment policy as in effect from time to time and against any other amounts owed to the Company Group by a Participant.

11.6 **No Representations.** By executing a Participation Agreement, a Participant acknowledges that in becoming a "Participant" in the Plan, such Participant is not relying and has not relied on any promise, representation or statement made by or on behalf of the Company Group which is not set forth explicitly in the Plan.

11.7 **Waiver.** No waiver by a Participant or the Company Group of any breach of, or of any lack of compliance with, any condition or provision of the Plan by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

11.8 **Validity and Severability.** The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11.9 **Benefits Not Assignable.** Except as otherwise required by law, no right or interest of any Participant under the Plan shall be assignable or transferable, in whole or in part, either directly or otherwise, including, without limitation, by execution, levy, garnishment, attachment, pledge or in any other manner, and no attempted transfer or assignment thereof shall be effective. Except as set forth in the Plan, no right or interest of any Participant under the Plan shall be liable for, or subject to, any obligation or liability of such Participant.

11.10 **Tax Withholding.** All payments made pursuant to the Plan will be subject to withholding of applicable income and employment taxes.

11.11 **Further Assurances**. From time to time, at the Company's request and without further consideration, a Participant shall execute and deliver such additional documents and take all such further action as reasonably requested by the Company to be necessary or desirable to make effective, in the most expeditious manner possible, the terms of the Plan, such Participant's Participation Agreement, and/or such Participant's Release.

EXHIBIT A

FORM OF

AGREEMENT TO PARTICIPATE IN THE

ICONIX BRAND GROUP, INC.

EXECUTIVE SEVERANCE PLAN

[ICONIX LETTERHEAD]

[DATE], 2016

EXECUTIVE SEVERANCE PLAN
PARTICIPATION AGREEMENT

Dear [INSERT PARTICIPANT NAME],

As you are aware, Iconix Brand Group, Inc. (the "Company" and, together with its subsidiaries and affiliates, the "Company Group") is in the process of phasing out the historical practice of individualized employment agreements and replacing these agreements with a comprehensive severance protection plan that addresses severance in Change in Control and non-Change in Control scenarios. As a key employee of the Company you are eligible to participate in Company's newly adopted Executive Severance Plan (as amended from time to time, the "Plan"). A copy of the Plan is enclosed with this Participation Agreement. Capitalized terms used in this Participation Agreement shall have the meanings ascribed to them in the Plan.

The Company considers the severance benefits offered under the Plan to be an important part of our overall executive compensation program and consistent with competitive market practice. We believe that providing appropriate severance benefits helps to attract and retain highly-qualified executives by providing income continuity in the event of an involuntary termination of employment. These arrangements also allow the Company Group to protect its interests through corresponding confidentiality, noncompetition and other restrictive covenants.

For your reference, attached to this Participation Agreement are two schedules that summarize the key elements of your participation. The schedules are subject in their entirety to the terms of the Plan.

By accepting this Participation Agreement, you hereby acknowledge, agree and confirm that:

1. You have received a copy of the Plan and have read, understand and are familiar with the terms and provisions of the Plan and that by executing this Participation Agreement, the Plan shall constitute an agreement between you and the Company Group;

2. The Plan supersedes any existing employment agreement or severance arrangement, whether written or unwritten, to which you are a party; and

3. The employment relationship between yourself and the Company Group is an "at-will" relationship.

By accepting this Participation Agreement, you hereby acknowledge that Section 4 of the Plan contains restrictive covenants to which you will be subject, and you hereby further agree as follows:

1. You acknowledge that any Confidential Information is of great value to the Company Group, and upon the termination of your employment for any reason, or at such earlier date as may be requested by the Company, you shall redeliver to the Company all Confidential Information and other related data in your possession. You agree that you will not retain any copies of any Confidential Information in hard copy, electronic or any other form.

2. You acknowledge that you will be materially involved with the Company Group's activities throughout the world and that your competition with the Company Group anywhere worldwide during the Non-Compete Period would cause substantial damages to the Company Group.

3. In the event you breach any of the covenants or obligations contained in Section 4 of the Plan or contained in any Non-Compete Documents to which you are a party, the post-termination restrictions contained in Section 4 shall be extended by a period of time equal to the period of such breach, it being the intention you and the Company that the running of the applicable post-termination restriction period shall be tolled during any period of such violation.

4. Without intending to limit the remedies available to the Company Group, you acknowledge that a breach by you of any of the covenants contained in Section 4 of the Plan may result in material and irreparable injury to the Company Group, for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat the Company shall be entitled to a temporary restraining order and/or a preliminary or permanent injunction restraining you from engaging in activities prohibited by Section 4 or such other relief as may be required specifically to enforce any of the covenants in Section 4.

By accepting this Participation Agreement, you hereby acknowledge that disputes and disagreements regarding your right to severance benefits under the Plan are governed by a Claims Procedure set forth in the Plan, which you must follow. In addition, by executing this Participation Agreement, you are acknowledging that:

YOU HAVE READ AND UNDERSTAND SECTION 11.2 OF THE PLAN, WHICH DISCUSSES ARBITRATION.

YOU UNDERSTAND THAT YOU ARE AGREEING TO SUBMIT ANY AND ALL CLAIMS ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THE PLAN, OR THE INTERPRETATION, VALIDITY, CONSTRUCTION, PERFORMANCE, BREACH OR TERMINATION OF THE PLAN, TO BINDING ARBITRATION, AND THAT THIS ARBITRATION CLAUSE CONSTITUTES A WAIVER OF YOUR RIGHT TO A JURY TRIAL AND ALSO REQUIRES THE RESOLUTION BY ARBITRATION OF ALL DISPUTES RELATING TO ALL ASPECTS OF THE EMPLOYER/EMPLOYEE RELATIONSHIP INCLUDING, BUT NOT LIMITED TO, STATUTORY DISCRIMINATION CLAIMS.

Finally, by accepting this Participation Agreement, you hereby confirm and agree that the Company has the unilateral right, in its sole discretion, to offset the payment of benefits to you under the Plan against amounts due from you under the Company's clawback/recoupment policy as in effect from time to time and against any other amounts that you owe to the Company Group.

The Company hereby reaffirms that you shall be entitled to all rights of indemnification, including rights of advancement, set forth in the Company's Bylaws. The Company shall include you in the directors and officers liability insurance policy provided for other directors and officers of the Company, at the Company's expense. Notwithstanding the foregoing, nothing contained in this Participation Agreement shall constitute an indemnification by the Company for any liability to third parties arising from your allegedly not being permitted to be employed by the Company, contractually or otherwise, and you hereby represent to the Company that no such prohibition exists.

You acknowledge that the Plan confers significant legal rights and obligations; that the Company has encouraged you to consult with legal and financial advisors as appropriate; and that you have had adequate time to consult with such advisors before executing this Participant Agreement.

Please indicate your acceptance and agreement to the Plan and this Participation Agreement by signing in the space indicated below and returning the agreement to the Company [by no later than [DATE], 2016]. Upon your acceptance, you shall be deemed a "Participant" of the Executive Severance Plan as of the effective date indicated in the attached Schedule.
Sincerely,

ICONIX BRAND GROUP, INC.

By: _____
Name:
Title:

AGREED AND ACCEPTED BY THE UNDERSIGNED ON THIS ___ DAY OF _____, 201__.

PARTICIPANT
[INSERT PARTICIPANT NAME]

_____
Signature

_____
Name Printed

_____
Address

[SCHEDULE TO PARTICIPATION AGREEMENT FOLLOWS]

SCHEDULE 1 TO PARTICIPATION AGREEMENT
For Qualifying Terminations Either Before or After a Change in Control Protection Period
(See Executive Severance Plan for complete terms and conditions)

Participant	[INSERT PARTICIPANT NAME]
Participation Effective Date	[INSERT DATE]
Position	[Executive Vice-President (EVP)]
Annual Base Salary	$_____, subject to annual review as part of Participant's annual performance review
Target Annual Cash Bonus Opportunity [and Automobile Allowance]	_____% of annual base salary (For the avoidance of doubt, payment may be above or below the target opportunity specified herein based on actual performance as determined in the sole discretion of the Committee.) [Automobile Allowance: _____]
Qualifying Termination	Participant's employment is involuntarily terminated by the Company Group without "Cause" or Participant resigns for "Good Reason"
Severance Benefit	1. Accrued obligations (if any) that remain unpaid as of the termination date, including earned but unpaid annual cash bonus (if any) for the immediately preceding fiscal year 2. Continuation of annual base salary for 18 months, paid in normal payroll installments 3. Prorated annual cash bonus for the year of termination based on actual performance 4. Eligibility for an additional severance benefit, if Participant elects COBRA health benefit continuation, at the active employee rate, subject to early termination in accordance with the terms of the Plan 5. Outstanding equity awards will be treated in accordance with the terms of such awards
Restrictive Covenant Period	18 months following termination of employment for any reason
Conditions to Severance	Participant must execute release and waiver of claims and comply with restrictive covenants

Reimbursement of Enforcement Costs	In the event that arbitration is commenced by Participant to enforce the provisions of the Plan, and Participant prevails in at least one material issue in controversy in such arbitration, and the Company does not prevail in any claim brought by the Company (either in such arbitration or in a court proceeding) that Participant has breached Participant's covenants and obligations under Section 4 of the Plan or under any other restrictive covenants to which Participant is subject, all expenses (including reasonable attorneys' fees and expenses) of Participant in such arbitration shall be paid by the Company Group

SCHEDULE 2 TO PARTICIPATION AGREEMENT
For Qualifying Terminations During the Change in Control Protection Period
(See Executive Severance Plan for complete terms and conditions)

Participant	[INSERT PARTICIPANT NAME]
Participation Effective Date	[INSERT DATE]
Position	[Executive Vice-President (EVP)]
Annual Base Salary [and Automobile Allowance]	$_____, subject to annual review as part of Participant's annual performance review [Automobile Allowance: _____]
Target Annual Cash Bonus Opportunity	_____% of annual base salary (For the avoidance of doubt, payment may be above or below the target opportunity specified herein based on actual performance as determined in the sole discretion of the Committee.)
Change in Control Protection Period	24 months following the Change in Control date
Qualifying Termination	Participant's employment is involuntarily terminated by the Company Group without "Cause" or Participant resigns for "Good Reason"
Severance Benefit	1. Accrued obligations (if any) that remain unpaid as of the termination date, including earned but unpaid annual cash bonus (if any) for the immediately preceding fiscal year 2. Base salary plus target bonus multiplied by 2, payable in a lump sum 3. Prorated annual cash bonus for the year of termination based on actual performance if determinable (or target level of performance if not determinable) 4. Eligibility for an additional severance benefit, if Participant elects COBRA health benefit continuation, at the active employee rate, subject to early termination in accordance with the terms of the Plan 5. Outstanding equity awards will be treated in accordance with the terms of such awards

Restrictive Covenants Period	18 months following termination of employment for any reason (but noncompetition restriction ends on date of Qualifying Termination)
Conditions to Severance	Participant must execute release and waiver of claims and comply with restrictive covenants
Reimbursement of Enforcement Costs	In the event that arbitration is commenced by Participant to enforce the provisions of the Plan, and Participant prevails in at least one material issue in controversy in such arbitration, and the Company does not prevail in any claim brought by the Company (either in such arbitration or in a court proceeding) that Participant has breached Participant's covenants and obligations under Section 4 of the Plan or under any other restrictive covenants to which Participant is subject, all expenses (including reasonable attorneys' fees and expenses) of Participant in such arbitration shall be paid by the Company Group

Exhibit 21

SUBSIDIARIES OF ICONIX BRAND GROUP, INC.

IBG Borrower LLC
a Delaware limited liability company

Bright Star Footwear LLC
a New Jersey limited liability company

Badgley Mischka Licensing LLC
a Delaware limited liability company

IP Holdings and Management Corporation
a Delaware corporation

IP Holdings LLC
a Delaware limited liability company

IP Management LLC
a Delaware limited liability company

Michael Caruso & Co., Inc.
a California corporation

Unzipped Apparel LLC
a Delaware limited liability company

Mossimo Holdings LLC
a Delaware limited liability company

Mossimo, Inc.
a Delaware corporation

OP Holdings LLC
a Delaware limited liability company

OP Holdings and Management Corporation
a Delaware corporation

Studio IP Holdings LLC
a Delaware limited liability company

Studio Holdings and Management Corporation
a Delaware corporation

Official Pillowtex LLC
a Delaware limited liability company

Pillowtex Holdings and Management LLC
a Delaware limited liability company

Scion LLC
a Delaware limited liability company

Artful Holdings LLC
a Delaware limited liability company

Shortcake IP Holdings LLC
a Delaware limited liability company

IP Holdings Unltd LLC
a Delaware limited liability company

MG Icon LLC
a Delaware limited liability company

Icon Entertainment LLC
a Delaware limited liability company

Peanuts Holdings LLC
a Delaware limited liability company

Peanuts Worldwide LLC
a Delaware limited liability company

Hardy Way LLC
a Delaware limited liability company

ZY Holdings LLC
a Delaware limited liability company

ZY Holdings and Management Corporation
a Delaware corporation

Sharper Image Holdings LLC
a Delaware limited liability company

Sharper Image Holdings and Management Corporation
a Delaware corporation

Scion BBC LLC
a Delaware limited liability company

IBGNYC LLC
a Delaware limited liability company

IBGWGA LLC
a Delaware limited liability company

Iconix DE Brand Holdings Corp.
a Delaware corporation

Icon DE Intermediate Holdings LLC
a Delaware limited liability company

Icon DE Holdings LLC
a Delaware limited liability company

Icon NY Holdings LLC
a Delaware limited liability company

Umbro IP Holdings LLC
a Delaware limited liability company

Iconix Luxembourg Holdings SÀRL,
a Luxembourg Société à responsabilité limitée

Iconix Brand UK Limited
a United Kingdom private limited company

Iconix Spain Holdings, S.L.
a Spanish Sociedad Unipersonal

Icon Modern Amusement LLC
a Delaware limited liability company

1724982 Alberta ULC
a Canadian unlimited liability company

Iconix Latin America LLC
a Delaware limited liability company

Iconix Europe LLC
a Delaware limited liability company

Hydraulic IP Holdings LLC
a Delaware limited liability company

NGX LLC

a Delaware limited liability company

US Pony Holdings, LLC
a Delaware limited liability company

Diamond Icon Ltd.
a United Kingdom limited company

Icon Brand Holdings LLC
a Delaware limited liability company

Iconix CA Holdings LLC
a Delaware limited liability company

Icon Canada JV Holdings Corp.
a Delaware corporation

Iconix Canada JV Holdings ULC
a Canada unlimited liability company

Iconix Luxembourg LC Holdings S.a.rl.
a Luxembourg Société à responsabilité limitée

Lee Cooper Brands (Management Services) Ltd.
a United Kingdom limited company

Red Diamond Holdings S.a.r.l
a Luxembourg Société à responsabilité limitée

Umbro Sourcing LLC
a Delaware limited liability company

Iconix China Holdings Limited
a Cayman Islands company

Iconix China Investments Ltd.
a British Virgin Islands company

Iconix China Limited
a Hong Kong limited company

Umbro China Limited
a Hong Kong limited company

Danskin China Limited
a Hong Kong limited company

LC Partners US LLC
a Delaware limited liability company

Exhibit 23

Consent of Independent Registered Public Accounting Firm

Iconix Brand Group, Inc.
New York, New York

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-128425, 333-137383, 333-139575, 333-146288, 333-159640, and 333-158861) and Form S-8 (Nos. 333-215050, 333-184313, 333-27655, 333-49178, 333-68906, 333-75658, 333-127416, 333-138134 and 333-161419) of Iconix Brand Group, Inc. (the "Company") of our reports dated March 15, 2017, relating to the consolidated financial statements and financial statement schedule which appear in this Form 10-K. We also consent to the inclusion of our report on the effectiveness of internal control over financial reporting, which expresses an adverse opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2016.

/s/ BDO USA, LLP
New York, New York
March 15, 2017

Exhibit 31.1

ICONIX BRAND GROUP, INC.
CERTIFICATION PURSUANT TO RULE 13A-14 OR 15D-14 OF
THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John N. Haugh, certify that:

1. I have reviewed this Annual Report on Form 10-K for the period ended December 31, 2016 of Iconix Brand Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 15, 2017

/s/ John N. Haugh
John N. Haugh
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

ICONIX BRAND GROUP, INC.
CERTIFICATION PURSUANT TO RULE 13A-14 OR 15D-14 OF
THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David K. Jones, certify that:

1. I have reviewed this Annual Report on Form 10-K for the period ended December 31, 2016 of Iconix Brand Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 15, 2017

/s/ David K. Jones
David K. Jones
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

ICONIX BRAND GROUP, INC.
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Iconix Brand Group, Inc. (the "Company") on Form 10-K for the period ended December 31, 2016 (the "Report"), I, John N. Haugh, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ John N. Haugh
John N. Haugh
President and Chief Executive Officer

March 15, 2017

Exhibit 32.2

ICONIX BRAND GROUP, INC.
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Iconix Brand Group, Inc. (the "Company") on Form 10-K for the period ended December 31, 2016 (the "Report"), I, David K. Jones, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ David K. Jones
David K. Jones
Executive Vice President and Chief Financial Officer

March 15, 2017