

Felicello Law PC Defeats Summary Judgment Motion by Xcel Brands Inc.

Felicello Law PC defeated a motion for summary judgment filed by Xcel Brands, Inc. (NASDAQ:XELB) in a long-running dispute over \$1.2 million owed to its client Texmont Design Limited (Texmont). Texmont, a Hong Kong-based garment manufacturer, had initiated the litigation based on its allegations that it had agreed to produce garments bearing the 'H Halston' and 'H by Halston' labels in reliance on an agreement by Xcel to make good on all payments owed for the production of the garments. Texmont alleges that Xcel received over \$1.5 million in revenue derived from sales of the garments manufactured by Texmont and then refused to pay Texmont for the garments. After losing a motion to dismiss and motion for Rule 11 sanctions, Xcel moved for summary judgment arguing that there was no enforceable contract between Xcel and Texmont. In a decision issued on August 11, 2021, the Hon. Cormac J. Carney, District Judge for the Central District of California, denied summary judgment on the grounds that Texmont had shown a genuine dispute of material fact as to the existence of an enforceable contract. The case is currently scheduled for trial on October 5, 2021.

Texmont is represented by lead counsel Michael James Maloney and local counsel Lisbeth Merrill. Rosanne E. Felicello assisted with briefing on the motion for summary judgment.