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IP assets of 1-800-Brokers are up for bid

by Anthony Noto

Updated 04:34 PM EDT, Jul-10-2009

The pioneers of **1-800-Lawyers Group**, the parent company of a service known for its daytime television commercials that connect callers with injury lawyers nationwide, are hoping their success there will inspire others to bid on the intellectual property of **1-800-Brokers Corp.** that they've put up for sale.

The idea behind 1-800-Brokers is the same as 1-800-Lawyers, only with insurance, real estate and other types of brokers instead of lawyers. Call the number, and the service will connect callers with one of those practitioners.

Mel Lisiten, the head of New York City business broker **Lisiten Associates**, is accepting bids for the IP package, which includes the moniker itself, domain names and phone numbers.

Lisiten said the sellers of the package are willing to auction it as an asset sale or a company.

He provides an example of how 1-800-Brokers would work: Say a European buyer is looking to invest in New York real estate. By calling or e-mailing the service, that buyer would be forwarded to a licensed real estate broker in the 212 area code.

In addition to real estate, 1-800-Brokers would incorporate other types of advisers as well, including those who specialize in stock, mortgage and insurance.

Meanwhile, the business model for 1-800-Brokers revolves around licensing fees. A broker pays a licensing fee for a given territory to 1-800-Brokers, so any calls for that area are directed to that particular broker. So, say a real estate broker wants the territory of Queens, N.Y. He'll pay a licensing fee so that calls to 1-800-Brokers requesting someone there will be directed to him.

Lisiten said the IP has already drawn some suitors, which he declined to identify. He noted one has submitted a \$3 million offer while another has indicated it will pay up to \$10 million.

While there are few comparable deals, Carle Place, N.Y.-based 1-800 Wedding Inc. nine years ago did receive a \$10 million bid from a consortium of investors, which included **Flynn Gallagher Investments Co.**, **Jefferies & Co.**, **Mercury Partners & Co.**, **Wasatch Venture Capital Corp.** and **E-Capital Corp.**

And in 2007, Draper, Utah-based **1-800 Contacts Inc.** agreed to a \$340 million take-private offer from **Fenway Partners LLC**.

Just this year, Sleepy's LLC won the auction for bankrupt rival **Dial-A-Mattress Operating Corp.**'s **1-800-Mattress** with a \$25 million bid. Originally, it had offered \$2.1 million.

So far, the 1-800-Brokers' IP has received up to six expressions of interest, Lisiten said.

An ideal buyer would have access to a marketing department and a call center to connect customers, he added.

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