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In re: MEE APPAREL LLC and MEE DIRECT LLC, Debtors-in-Possession.	UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY CASE NO. 14-16484 (CMG) Chapter 11 (Jointly Administered) **HEARING DATE AND TIME:** April 21, 2014, at 10:00 a.m. **ORAL ARGUMENT REQUESTED**

DEBTORS' OMNIBUS REPLY TO OBJECTIONS TO DEBTORS' (A) PROPOSED BIDDING PROCEDURES AND (B) DIP FINANCING MOTION

TO: Honorable Christine M. Gravelle
United States Bankruptcy Judge

MEE Apparel LLC and MEE Direct LLC, the within debtors and debtors-in-possession (collectively, the "**Debtors**"), by and through their proposed counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., hereby submits this Omnibus Reply to the objections to the Debtors' (A) Motion (the "**Sale Motion**") for an Order pursuant to 11 U.S.C. §§ 363 and 365 and Fed. R. Bankr. P. 2002, 6004 and 6006: (1) Approving a "Stalking Horse" Asset Purchase Agreement for the Sale of Substantially All the Debtors' Assets; (2) Approving Bidding Procedures and Form, Manner and Sufficiency of Notice Thereof; (3) Scheduling (a) an Auction Sale and (b) a Hearing

to Consider Approving the Highest and Best Offer; (4) Authorizing the Debtors to Sell Substantially All Their Assets Free and Clear of Liens, Claims, Encumbrances, and Interests and to Assume and Assign Related Executory Contracts and Unexpired Leases; and (5) Granting Other Related Relief (the relief requested in subparts (1) through (3) is referred to as "**Part I of the Sale Motion**" and the proposed Order granting Part I of the Motion is referred to as the "**Bid Procedures Order**") and (B) Motion for an Interim and Final Order (I) Authorizing the Debtors to Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c) and 364(e), (II) Authorizing Use of Cash Collateral, (III) Scheduling a Final Hearing Pursuant to Fed. R. Bankr. P. 4001, and (IV) Granting Other Related Relief (the "**DIP Motion**") and respectfully represents:

I. PRELIMINARY STATEMENT

1. The Debtors have an obvious and immediate need to proceed as expeditiously as possible towards approval of the sale of substantially all of their assets to Suchman, LLC, the proposed stalking horse bidder ("**Suchman**"), subject to higher and better offers. The Debtors believe that a prompt sale of substantially all of their assets presents the best opportunity to maximize value for the benefit of all stakeholders. At the same time, an expedited sale process allows the Debtors to adhere to the sale milestones prescribed in the DIP Financing Agreement. The Debtors' limited access to the only source of post-petition financing available is expressly conditioned upon the timely approval and consummation of the contemplated sale. Most significantly, however, the Debtors simply lack sufficient funds to conduct a drawn out sale process that will potentially benefit professionals while risking the sale and the several hundred jobs it will preserve. Therefore, on the Filing Date (defined herein), the Debtors filed, on shortened notice, the Sale Motion and requested an expedited hearing on Part I of the Motion.

2. The Debtors received six (6) objections to Part I of the Sale Motion and three (3) objections to the DIP Motion (collectively, the "**Objections**"). Specifically, the Debtors received Objections from the following parties: (i) the Official Committee of Unsecured Creditors (the "**Committee**") [Docket No. 121]; (ii) the Office of the United States Trustee for the District of New Jersey (the "**UST**") [Docket No. 126] and (iii) certain of the Debtors' landlords (collectively, the "**Landlord Objections**") including General Growth Properties, Inc. ("**GGP**") [Docket No. 102], Dolphin Mall Associates and Taubman Auburn Hills Associates Limited Partnership [Docket No. 103], Simon Property Group, Inc. ("**Simon**") [Docket Nos. 105 and 127] and JG Elizabeth LLC and BRE Pearlridge LLC [Docket No. 106].[1] Since the filing of the Objections, the Debtors have worked diligently to resolve them. In that regard, the Debtors are pleased to report to the Court that they have resolved portions of the Objections by adding requested language or otherwise revising the bid procedures order (the "**Revised Bid Procedures Order**") and DIP Order (the "**Revised DIP Order**"). Copies of the Revised Bid Procedures Order and Revised DIP Order, together with redlines marked against the filed versions, are attached as **Exhibits A** and **B**, respectively.

3. The Debtors recognize as critical the opportunity to continue these business enterprises which, in turn, will provide the opportunity for the preservation of hundred of jobs and assumption of critical liabilities. The Objections, namely that of the Committee and the

[1] Pursuant to the Order Shortening Time entered into connection with the Sale Motion, objections were due to be filed by April 14, 2014. Similarly, pursuant to the Interim DIP Order (defined herein), objections to the DIP Motion were to be filed by April 14, 2014. The Debtors extended the deadline for the Committee to April 17, 2014, at 4:00 p.m. Notwithstanding Court-imposed deadlines to file objections, none of the objectors except GGP and the Committee timely filed their Objections. In particular, the Objection of the UST to Part I of the Sale Motion and the DIP Motion was filed on April 18, 2014, four (4) days after the objection deadlines. The UST never requested an extension of the objection deadline nor raised any of the issues in its Objection to the Debtors' counsel despite having been in contact with the counsel on a daily basis in connection with a myriad of other issues in these Chapter 11 cases. The Debtors submit that all of the Objections that were filed out of time should be summarily overruled.

UST, flatly ignore this reality. Accordingly, the Debtors submit this Omnibus Reply to refute the almost entirely baseless legal arguments and misleading factual assertions pervasive in the Objections. If the Objections are sustained, the Debtors will be forced to cease operations detrimentally impacting all stakeholders including the Debtors' several hundred employees that will lose their jobs. Such drastic consequences are not appropriate under the circumstances of these cases. Accordingly, the Debtors request that the Court overrule the Objections and grant the relief requested in Part I of the Sale Motion and the DIP Motion as modified.

II. BACKGROUND

4. On April 2, 2014 (the "**Filing Date**"), the Debtors filed voluntary petitions for relief pursuant to Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**"). Since the Filing Date, the Debtors have remained in possession of their assets and continued management of their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

5. On April 10, 2014, the UST appointed the Committee.

6. A detailed description of the Debtors' business and the facts precipitating the filing of these Chapter 11 proceedings are set forth in the Affidavit of Jeffrey L. Gregg in support of the Debtors' various "First Day Motions" (the "**Gregg Affidavit**"). Those facts are incorporated herein by reference.

7. As set forth in the Gregg Affidavit, the Debtors are leading providers of youth apparel and streetwear under the "Ecko Unltd." and "Unltd." brands. Before the Filing Date, the Debtors developed, manufactured and sourced clothing apparel and accessories for wholesale customers and their own retail locations. On March 31, 2014, the Debtors consummated a transaction with West Loop South pursuant to which they sold substantially all of their

inventory in their warehouse locations. The Debtors, however, retained the inventory within and continue to operate their retail business from approximately thirty (30) full-priced and premium outlet stores as well as through their e-commerce platform. In conjunction with the West Loop Transaction, the Debtors entered into a Supply Chain Services Agreement with West Loop South whereby West Loop South will provide letter of credit, freight forwarding, duties and third party logistics services to the Debtors in connection with the operation of their retail business. As of the Filing Date, the Debtors had assets of approximately $30 million and liabilities of approximately $62 million.

8. On the Filing Date, the Debtors filed the DIP Motion. The DIP Motion seeks approval of a senior secured super-priority post-petition financing facility in the amount of up to $7 million from Suchman. On April 7, 2014, the Court entered an Order approving the DIP Motion on an interim basis (the "**Interim DIP Order**").

9. On the Filing Date, the Debtors also filed, on shortened notice, the Sale Motion. Part I of the Sale Motion requests approval of proposed bidding procedures. A hearing on Part I of the Sale Motion was originally scheduled for April 15, 2014. However, the Debtors adjourned the hearing to April 21, 2014 to afford the Committee additional time to evaluate the relief requested.

III. ARGUMENT

REPLY TO OBJECTIONS TO PART I OF THE SALE MOTION

A. The Committee Objection

10. The Debtors have focused their efforts on minimizing any disruption caused by the filing, stabilizing their business operations and ensuring the sale process progresses smoothly and on the expedited timeline required by the debtor-in-possession facility given the Debtors' liquidity constraints. A key focus for the Debtors has been fostering a constructive and

cooperative dialogue and exchange of information with the newly formed Committee. To that end, since its appointment on April 10, 2014, the Debtors have conducted an in-person meeting with the Committee and have worked to provide the Committee with responses to its diligence requests. The Committee has been given access to the Debtors' documents and other key information through a secure data site. Moreover, the Debtors have considered the Committee's input and attempted to address those concerns with respect to Part I of the Motion. Unfortunately, many of the Committee's proposed modifications to the sale process fly in the face of the realities of these Chapter 11 cases and appear to be designed to advance the individual agenda of certain landlords without appropriate consideration for the other stakeholders in this case.

11. Indeed, the Committee does not – because it cannot – dispute that the Debtors need the DIP facility and the use of cash collateral to operate their businesses and pursue a sale of substantially all of their assets. The Committee does not – because it cannot – dispute that the DIP facility is contingent upon the Debtors' expeditious pursuit of the sale to Suchman, and that losing the support of Suchman would cause these Chapter 11 cases to crater. The Committee complains about the DIP facility, but does not identify any alternative potential source of post-petition financing. The Committee complains about the sale to Suchman, but does not propose any alternative path for these Chapter 11 cases other than to delay.

12. The Committee's objection is laced with insinuations that (i) Suchman's pre-petition debt is not valid, (ii) the DIP facility is a sham, (iii) the sale to Suchman is self-interested and (iv) certain pre-petition transactions are suspect. There is no support for these allegations and the entire Suchman relationship was disclosed by the Debtors from the outset of these cases in painstaking detail. The Debtors hope, that with the concessions made by the Debtors, that the

Committee will refocus its energy on promoting and facilitating the sale process and the orderly administration of these Chapter 11 cases, rather than gambling with the liquidation of the Debtors' estates to the detriment of the Committee's constituency and all other parties in interest. In the interim, however, the Committee's objections to Part I of the Motion must be addressed.

i. The Debtors Do Not Dispute that the Proposed Sale is Subject to a Heightened Scrutiny

13. The Committee's Objection to Part I of the Sale Motion focuses on the insider nature of the proposed sale transaction to Suchman. There is nothing in the Committee's objection that has not been previously disclosed to the Court regarding the relationships among the Debtors, Suchman and Seth Gerszberg ("**Gerszberg**"). From the outset of these Chapter 11 cases, the Debtors have been forthright about the insider relationships. In fact, in the Sale Motion itself, the Debtors concede that the proposed transaction is subject to the higher scrutiny applied to insider transactions in the Chapter 11 cases. See Sale Motion at ¶ 23. The Committee's attempt to place undue emphasis on the insider nature of the transaction at this stage in the proceedings must be disregarded. Whether the Debtors have satisfied that heightened standard is not an issue that should be adjudicated in connection with Part I of the Sale Motion and should be deferred to a sale hearing. At that point the Court, and Committee, will have the benefit of knowing whether any other parties are interested in these assets.

ii. The Debtors' Sale Timeline, as Modified, Should Be Approved

14. The Committee's objection to the Debtors' proposed timetable is fatally flawed in that it ignores the economic reality of these Chapter 11 cases. The timeline for the sale is simply dictated by the Debtors' cash needs. As set forth in the Debtors' budget, the Debtors will exhaust their liquidity by the week ending May 24, 2014. The Debtors' budget allocated an additional $1 million for the wind down of the Debtors' estates and a dividend to unsecured

creditors who are completely, categorically and indisputably "out of the money." In an effort to resolve the Committee's objection to the timeline, the Debtors will agree to postpone the sale process by one week (with a sale hearing to occur on May 28, 2014, or 56 days after the Filing Date). By doing so, the Debtors will spend approximately $250,000 of the $1 million allocated for the wind-down and benefit of unsecured creditors. The Debtors, however, lack the financial wherewithal to delay the sale process any further since an extension into June 2014 will require the Debtors to pay approximately $650,000 in June rent which they cannot afford. Thus, any further delay in the sale process will seriously jeopardize the Debtors' ability to maintain their going concern value and consummate the sale of their assets.

15. Courts in this district and others have approved sale processes on an equally expedited, if not shorter, basis. See, e.g., In re Ashley Stewart Holdings, Inc., et al., Case No. 14-14383 (MBK) (Bankr. D.N.J. April 3, 2014) (approving bid procedures and scheduling a sale hearing six weeks after the petition date); In re Digital Domain Media Grp. Inc., Case No. 12-12568 (Bankr. D. Del. Sept. 12, 2012) (approving bid procedures scheduling a sale hearing for 13 days after the petition date); 155 Route 10 Assocs., Inc., Case No. 12-24414 (NLW) (Bankr. D.N.J. June 22, 2012) (approving bid procedures scheduling a sale hearing for 43 days after the petition date); In re Grubb & Ellis Co., Case No. 12-10685 (MG) (Bankr. S.D.N.Y. March 7, 2012) (approving bid procedures scheduling a sale hearing for four weeks after petition date); A123 Systems, Inc. (n/k/a B456 Systems, Inc., et al.), Case No. 12-12859 (KJC) (Bankr. D. Del. Nov. 8, 2012) (approving bid procedures scheduling a sale hearing for 56 days after petition date); In re Gen. Motors Corp., Case No. 09-50026 (REG) (Bankr. S.D.N.Y. June 2, 2009) (approving bid procedures scheduling a sale hearing for four weeks after petition date); In re Old Carco LLC f/k/a Chrysler, Case No. 09-50002 (AJG) (Bankr. S.D.N.Y. May 7, 2009) (approving

bid procedures scheduling a sale hearing for 23 days after petition date). In at least three (3) of those cases, In re Grubb & Ellis Co., In re General Motors Corp. and In re OldCarco LLC f/k/a Chrysler, the Courts approved the expedited sale process where the lender, as is the case here, served as the stalking horse bidder with a credit bid.

16. In its objection, the Committee contends that the milestone in the DIP facility requiring an auction sale on or prior to May 17, 2014 "does not afford the Committee sufficient time to carry out its fiduciary duties, determine whether the proposed transactions are the product of arm's length negotiations, and complete its investigation." See Committee Objection at ¶ 15. Contrary to the Committee's unsupported arguments otherwise, the expedited sale process does not, in any way, curtail its right to investigate pre-petition transactions and potential causes of action. That investigation, however, has absolutely no bearing on the sale of the Debtors' assets to Suchman or a higher and better bidder. The Committee's potential causes of action, whatever they may be, have nothing to do with the sale process. Similarly, the Committee's intimations of impropriety throughout its objection, which are unsupported by any facts, are simply not a basis to delay the sale process.

17. Moreover, the Committee mistakenly believes that additional marketing time may yield a buyer. As set forth in the Sale Motion, the Debtors retained Innovation Capital, LLC ("**Innovation**") to market the Debtors' assets. As of the date of this Omnibus Reply, Innovation has sent out approximately 100 teasers to potential purchasers regarding the proposed sale transaction. While Innovation has received a handful of responses with potential interest, **no potential purchasers have sought to conduct further diligence of the Debtors at this time**. The Debtors, in consultation with Innovation, do not believe that extending the sale process will increase the chances that an interested party will submit a higher and better offer.

18. Based on the foregoing, the expedited sale process is warranted in these cases and the Committee's objection thereto should be overruled.

ii. The Stalking Horse Bidder Should Be Entitled to Credit Bid

19. The Committee erroneously argues that Suchman is not permitted to credit bid its DIP and pre-petition liens in the wake of the recent outlier, unpublished and non-binding decision of the Bankruptcy Court for the District of Delaware, In re Fisker Auto. Holdings, Inc., 2014 WL 210593 (Bankr. D. Del. 2014). The Committee's reliance on Fisker, however, is misplaced and blatantly ignores the well-settled authority that permits secured creditors to bid up to the full face value of their secured claims under Section 363(k). See In re Submicron Sys. Corp., 432 F.3d 448 (3d Cir. 2006); In re GWLS Holdings, Inc., Slip Copy, 2009 WL 453110 (Bankr. D. Del. 2009); In re SunCruz Casinos, LLC, 298 B.R. 833, 839 (Bankr. S.D. Fla. 2003); In re Morgan House Gen. P'ship, Nos. 96-MC-l84 & 96-MC-185, 1997 WL 50419, at *1 (E.D. Pa. Feb. 7, 1997); In re Midway Invs., Ltd., 187 B.R. 382, 391 n. 12 (Bankr. S.D. Fla. 1995); In re Realty Invs., Ltd. V, 72 B.R. 143, 146 (Bankr. C.D. Cal. 1987).

20. Relying on Fisker, the Committee seeks to prevent Suchman from credit bidding its DIP and pre-petition liens in their entirety. The court in Fisker, however, rejected out of hand the creditors' committee's argument that the pre-petition lender should not be able to credit bid at all, holding that "[i]t is beyond peradventure that a secured creditor is entitled to credit bid its allowed claim." Fisker, 2014 WL 210593 at *4. Rather, the court found that the "only question" was the amount of the credit bid. Id. The Fisker Court limited the credit bid rights primarily because the lender's lien did not extend to all of the asset to be sold – rather it included assets in which the lender had no perfected lien or the perfection of the lien was unclear. Id. at *5.

21. Here, as set forth in the Gregg Affidavit, on July 6, 2011, the Debtors entered into a $50 million credit facility with Wells Fargo, N.A. (the "**WF Facility Lenders**"), as

subsequently amended (the "**WF Credit Facility**"). The WF Credit Facility was secured by, among other things, substantially all of the Debtors' assets (the "**WF Collateral**"). On July 6, 2011, Wells Fargo Bank, N.A., as the agent for the WF Facility Lenders (the "**WF Facility Agent**"), properly perfected its security interests in the WF Collateral by filing UCC-1 financing statements with the New Jersey Department of Treasury and the Delaware Secretary of State.

22. Pursuant to an Assignment dated May 17, 2013, the WF Facility Agent assigned the WF Credit Facility to Suchman. As of the date of the Assignment, the Debtors owed the WF Facility Lenders approximately $7.8 million. The Debtors do not believe there is any, or can be any, dispute as to the validity of the lien that was assigned by the WF Facility Agent. The Committee, with its seasoned and highly compensated professionals could quickly – and certainly within the 41-day period from the date of the Committee's appointment and hiring of professionals (April 10th) through the May 21st proposed auction date – review the UCC-1 financing statements and readily determine that the assigned lien was properly perfected. In fact, it should not take the Committee's counsel very long to conduct that investigation given that Committee counsel, Otterbourg P.C., actually represented the WF Facility Lenders in connection with the negotiation and execution of the assignment of the WF Credit Facility to Suchman. In fact, as set forth in the Assignment attached hereto as **Exhibit C**, Otterbourg was paid at least $75,000 as counsel for the WF Facility Lenders in effectuating the assignment to Suchman. Additionally, there can be no doubt that, assuming the Court approves the Debtors' proposed DIP financing on a final basis, Suchman has a valid, perfected lien on all of the assets it is acquiring by credit bid on account of the new financing cover by the DIP financing. Therefore, at the very least, Suchman has a properly perfected lien on all of the Debtors' assets in the

amount of approximately $14.8 million ($7.8 million pre-petition lien and up to the $7 million extended under the DIP).[2]

23. The Committee attempts to argue that the fast paced sales process and chilling effect on bidding precipitated the limiting of the lender's credit bid in Fisker. This is not true. The Fisker court was troubled by the fact that the parties never "provided the Court with a satisfactory reason why the sale of the non-operating Debtors required such speed." Fisker, 2014 WL 210593 at *5. Unlike in Fisker, since the outset of these cases, the Debtors have been candid with the Court regarding the Debtors' liquidity constraints and the need for a fast-paced sale. As set forth above, the Debtors' budget, which was filed with the Court on the first day of the cases, shows the Debtors run out of funds the week ending May 24, 2014. Moreover, the sale process in Fisker only provided 24 business days to challenge the sale motion. Id. Here, the Committee and other interested parties are given approximately 45 days to challenge the Sale Motion.

24. The Committee's attempt to apply the limited ruling of Fisker to the facts of these cases should be disregarded. For the reasons set forth herein and in the Sale Motion, the Debtors respectfully submit that Suchman should be permitted to credit bid its liens under Section 363(k) of the Bankruptcy Code.

B. The UST Objection

25. The untimely Objection filed by the UST is, in large part, a reiteration of the same arguments asserted by the Committee and addressed above. Rather than repeat the Debtors'

[2] In addition to the amounts to be credit bid, Suchman shall also take on – and remove from the estate – substantial obligations. Among the "Assumed Liabilities" under the APA is $4 million of senior, secured debt that will remain due and owing to Rosenthal & Rosenthal, Inc. ("**Rosenthal**").

responses to those arguments, the Debtors intend to address those objections of the UST that were not raised by any of the other objectors.

i. The Independence of the CRO

26. As a threshold matter, the UST alleges that Jeffrey L. Gregg ("**Gregg**"), the Debtors' Chief Restructuring Officer, is not independent and is actually being controlled by Gerszberg. The UST's depiction of the relationship between Gregg and Gerszberg is simply wrong. Notwithstanding the language in Gregg's engagement letter cited by the UST, the UST has failed to allege any facts to suggest that the Debtors' negotiations with Suchman were anything other than arms'-length. Even if Gregg discussed the negotiations of the APA with Gerszberg, that does not prove that the negotiations were not arms'-length and in good faith. Clearly, the APA, which is subject to higher and better offers, reflects the arms'-length nature of the negotiations by providing for, among other things, the assumption of substantial liabilities and attempting to ensure that the Debtors' estate will not be rendered administratively insolvent as a result of the sale.

27. Indeed, Suchman is represented by independent and experienced counsel, Venable LLP, with whom Gregg and the Debtors' bankruptcy counsel negotiated at arms'-length. Evidence of Gregg's and Debtors' counsel's efforts is reflected not only in the APA, but from a review of the terms of the DIP facility itself, which includes no fees and, what the Debtors submit, extraordinarily fair terms, including a below market rate of interest (particularly when considering Suchman's subordination of the DIP facility's liens and claims to that of an existing pre-Petition Date lender).

28. Simply referring to Gregg's employment agreement, which was drafted with the J. Alix protocol in mind – and the obligation to report to and, where appropriate, take direction

from a debtor's board of directors, without more, misses the mark. Suggesting otherwise – without undertaking any investigation thereof – is inappropriate. Gregg has carried out his fiduciary responsibilities throughout his engagement – including in connection with the negotiations on both the DIP facility and the APA and the UST's mere references to his engagement letter, without more, should not be permitted to taint this Court.

ii. The Expense Reimbursement is Reasonable

29. The UST objects to the pre-approval of the Expense Reimbursement offered to Suchman. Without citing any legal authority, the UST argues that an expense reimbursement is not appropriate where a stalking horse bidder is an insider of the debtor. Notwithstanding the UST's unsupported statements, courts have approved bid protections to insiders. See e.g., In re Philip Servs. Corp., Case No. 03-37718 (Bankr. S.D. Tex. June 2003) (approving break up fee to insider). Given the insider nature of the transaction, however, Suchman is not receiving a break-up fee here. Rather, the only bid protection it is receiving is the Expense Reimbursement.

30. In the present case, the Expense Reimbursement approximates 1.7% of the value of Suchman's bid. There is no break-up fee request, which would be typical in cases like this. Of course, break-up fees within the Third Circuit usually are approved if less than 3% of the transaction consideration. In any event, to be entitled to the Expense Reimbursement, Suchman would have to make application to the Court and prove the reasonableness of the fee request. Courts within this district have approved similar requests for expense reimbursements at the bidding procedures order stage. See, e.g., In re Ashley Stewart Holdings, Inc., *et al.*, Case No. 14-14383 (MBK) (Bankr. D.N.J. April 3, 2014); In re Dots, LLC, *et al.*, Case No. 14-11016 (DHS) (Bankr. D.N.J. Feb. 21, 2014); 155 Route 10 Assocs., Inc., Case No. 12-24414 (NLW) (Bankr. D.N.J. June 29, 2012); In re Bamboo Abbott, Inc. t/a Prestige Window Fashions, Case No. 09-28689 (MBK) (Bankr. D.N.J. Jan. 4, 2010).

31. The ability to offer an Expense Reimbursement to induce Suchman's valued bid in advance of the Auction establishes a committed baseline, or floor, upon which all other bids can be compared and evaluated, and therefore, is beneficial to the Debtors' estates and their stakeholders. The Debtors, therefore, request that the UST's objection be overruled.[3]

iii. Consumer Ombudsman

32. In the Motion, the Debtors asserted the sale of the assets would not necessitate the appointment of a consumer privacy ombudsman in accordance with Section 363(b)(1) of the Bankruptcy Code, in part, because the buyer of the Purchased Assets would serve as a successor-in-interest to the Debtors' privacy policy and utilize the "personally identifiable information" in exactly the same fashion as the Debtors. See Sale Motion, ¶¶ 25-28. Focusing on language in the Sale Motion that "the Debtors advise their customers purchasing goods in their retail stores and on-line that their personal information will not be disclosed to third-party vendors outside of the Debtors," see Sale Motion (emphasis added), rather than the privacy policy itself, the UST has asserted that the appointment of a consumer privacy ombudsman is necessary under Sections 332 and 363(b)(1) of the Bankruptcy Code.

33. The UST is incorrect. The facts here, including the language of the policy itself, which was attached to the UST's objection, simply do not necessitate the appointment of a consumer privacy ombudsman. As a review of that policy reveals the Debtors do, in fact,

[3] The UST attempts to distract the Court by referencing expense reimbursement amounts paid to Suchman pre-petition. As of the Filing Date, the Debtors paid Suchman approximately $175,000 in connection with the proposed DIP financing and APA. The UST argues, again without any authority or basis, that these amounts must be disgorged. These are contractual obligations for which the Debtors were responsible. There is simply no basis for suggesting that such payments must be disgorged. Indeed, even had they not been paid prior to the Filing Date, administrative expenses incurred prior to the filing of a bankruptcy petition are compensable under Section 503(b)(3)(D), if those expenses are incurred in efforts which were intended to benefit, and which did directly benefit, the bankruptcy estate. In Re Lister, 846 F.2d 55 (10th Cir. 1988) (citing In re Jensen-Farley Pictures, Inc., 47 B.R. 557, 565-69 (Bankr. D. Utah 1985)). Suchman's efforts, both in providing the DIP financing and in setting a guaranteed floor and a bidding process through the APA have clearly benefited the Debtors' estates.

disclose to individuals that their personal information may be disclosed to others (and the statement in the Sale Motion was incorrect). See UST Objection, Exhibit A (e.g., "SITE OPERATOR may share the personal information you provide with others, including without limitation its service providers, affiliates, licensees and joint venture partners." . . . "Without limiting other rights hereunder, SITE OPERATOR may transfer the personal information it collects about you to countries other than the country in which you originally provided it. These countries may not have the same data protection laws as the country in which you provided the information.").[4] Thus, based on the language of the policy itself, Section 363(b)(1) is not implicated because the Debtors did not disclose to an "individual a policy prohibiting the transfer of personally identifiable information." See 11 U.S.C. §363(b)(1) (emphasis added).

34. In any event, consistent with the representations in the Sale Motion, Suchman (or presumably any buyer of the Purchased Assets) will serve as a successor-in-interest to the Debtors' privacy policy and utilize the "personally identifiable information" in exactly the same fashion as the Debtors. Accordingly, even if Section 363(b)(1) were implicated (and it is not), this Court may authorize the proposed Sale without appointing a privacy ombudsman because the transfer of the "personally identifiable information" is consistent with the Debtors' privacy policy as provided in 11 U.S.C. § 363(b)(1). The Court should, respectfully, therefore deny the UST's request that a sale of the Purchased Assets require the appointment of a consumer privacy ombudsman.

[4] It should be noted that even the Debtors disclose to individuals a privacy policy that permits them to share the individual's personally identifiable information, as the undersigned counsel advised the UST, the Debtors do not share such personally identifiable information with any unrelated third party.

C. The Landlord Objections

35. A common theme among the Landlord Objections is that the proposed procedures fail to provide landlords with a reasonable and meaningful opportunity to assess adequate assurance information and object to the sale. As set forth in the Revised Bid Procedures Order, the Debtors have agreed, subject to the Court's approval, to the following timetable to govern the sale and address the concerns raised in the Objections:[5]

a. April 24, 2014: Debtors shall provide notice of the sale, auction and sale hearing. Debtors shall also file and serve the Notice of Assumption and Assignment.

b. May 1, 2014: Suchman shall provide adequate assurance information to landlords (all other bidders shall provide adequate assurance information within 24 hours of the Debtors' receipt of a bid).

c. May 9, 2014: Objections to cure amounts shall be filed.

d. May 19, 2014: Bid deadline.

e. May 21, 2014: Auction.

f. May 23, 2014: Objections to the sale and adequate assurance shall be filed.

g. May 28, 2014: Sale hearing.

36. The above-referenced timetable provides the landlords adequate assurance information with respect to Suchman nearly three (3) weeks before the objection deadline. Additionally, it gives the landlords two (2) days after the auction to object to adequate assurance. Courts have approved bid procedures in which contract counterparties are provided only the time between selection of a successful bidder at an auction and the hearing on a sale of assets to such bidder to object to the ability of such bidder to perform under the terms of the contract. See e.g.,

[5] It bears noting that the Debtors obtained the consent of Suchman as DIP lender to the following timetable and negotiated changes to the DIP credit agreement to augment the sale milestones set forth therein.

In re Ashley Stewart Holdings, Inc., et al., Case No. 14-14383 (MBK) (Bankr. D.N.J. April 3, 2014) (providing four days between auction and sale hearing to assert adequate assurance objections); In re Big M, Inc., Case No. 13-10233 (DHS) (Bankr. D.N.J. April 15, 2013) (providing two days after auction to assert adequate assurance objections); In re Grubb & Ellis Co., No. 12-10685 (MG) (Bankr. S.D.N.Y. March 7, 2012) (providing time between selection of successful bidder (if not the stalking horse) and sale hearing for counterparties to object to assumption and assignment); In re Electric Transp. Eng'g Corp. d/b/a Ecotality N. Am., Case No. 2:13BK-16126 (Bankr. D. Ariz. Sept. 19, 2013) (providing for objections to adequate assurance of future performance in the three day period after auction and before sale hearing); In re Digital Domain Media Grp., Inc., No. 12-12568 (Bankr. D. Del. Sept. 12, 2012) (requiring objections to assumption and assignment to be filed on the same day as the sale hearing, which was scheduled for the day after the auction); In re West 380 Family Care Facility d/b/a N. Texas Cmty. Hosp. & Doctors' Hosp., No. 12-46274-DML-11 (Bankr. N.D. Tex. Dec. 28, 2013) (providing for objections to adequate assurance of future performance in the one day period after the auction and before the interim sale hearing). Consistent with these cases, the Debtors assert that the landlords have sufficient time to object to adequate assurance of future performance and respectfully request that the Court approve this schedule.[6]

i. Simon's Objection

37. Simon's objection is a transparent attempt to immediately kill the sale process to satisfy its own agenda before the Debtors ever get the opportunity to address Part II of the

[6] The Debtors note that prior to extending these dates as noted above, the Debtors reached agreement with GGP on a timetable for the sale process and objections thereto, resolving GGP's objection (which the Debtors understand will be confirmed on the record). To the extent the other Landlord Objections are simple joinders to GGP's objection, the Debtors submit that those Objections should be similarly considered to be resolved.

Motion regarding the use provisions in the Simon leases. It is obvious, and very unfortunate from the Committee's Objection, that Simon has apparently influenced the Committee to take up its cause rather than protect the interests of all creditors and several hundred employees. In its objection, Simon argues that (i) Suchman is incapable of providing adequate assurance under Section 365(b)(1) and (3) and (ii) the Debtors' request to modify the use provision in violation of Section 365(b) of the Bankruptcy Code must be denied. Simon's objections do not relate to Part I of the Motion itself. It is very telling that Simon would declare its position on adequate assurance before even receiving the adequate assurance information that will be delivered on May 1, 2014. Thus, these objections are premature and should be considered at the sale hearing at which time the Debtors will vigorously contest their merits.[7]

REPLY TO OBJECTIONS TO DIP MOTION

38. The Objections to the DIP Motion are repetitive. Therefore, the Debtors intend to address those objections together in one response.

39. The objections to the DIP Motion ignore a critical fact – without Suchman's financing, there are no Chapter 11 cases. Access to the Suchman DIP facility is the only option available for the Debtors to maintain their going concern value. As set forth above, no one, including the Committee, has provided the Debtors with any other options because there simply are none. As set forth in the DIP Motion, the Debtors retained Innovation to solicit proposals for post-petition financing. Innovation contacted several prospective lenders, all of whom elected to pass on the financing opportunity. See DIP Motion at ¶ 17.

[7] The Debtors understand that Simon wants the ability to conduct discovery on the issues of adequate assurance and modification to the use clauses in the Debtors' leases. Likewise, the Debtors want discovery from Simon on the use clauses and will work with Simon's counsel to agree on a consensual discovery schedule.

40. The Committee attempts to distract the Court by arguing that the DIP financing is not legitimate because Suchman funded the DIP with funds that were previously pledged by Suchman to the Debtors' pre-petition senior secured lender, Rosenthal, and released to Suchman in connection with these Chapter 11 cases. So what?! There is no credible dispute that those funds belonged to Suchman. In the face of no other viable options, the Committee actually argues that the Debtors are in a worse position because of the DIP financing. The mere fact is that if Suchman did not put those funds into the DIP facility, the Debtors would have been forced to liquidate to the detriment of all parties-in-interest.

41. The Committee also seeks to attack the security granted to Suchman in return for the availability of $7 million of new money that the DIP provides. That objection ignores the reality of the situation. Having no other available options, the Debtors agreed to the typical, and reasonable demand under the circumstances, that the DIP facility (which is subordinate to Rosenthal) be secured in all of the Debtors' assets. Had the Debtors not done so, they would likely be in the midst of a Chapter 7 liquidation. The fact that Suchman has taken a lien on all previously unencumbered assets, including avoidance actions and the proceeds of the real property leases, in exchange for the financing is certainly not surprising, especially given that Suchman's liens are subordinate to Rosenthal. This is not a circumstance where a DIP lender is merely rolling up its pre-petition facility and grabbing previously unencumbered assets. This is new money - $7 million, without which the Debtors have no means to operate. Any lender that would provide new money, particularly one that agreed to a second lien position, would undoubtedly seek that same protection. If the Committee has someone that would not make that request, and would make a loan to these Debtors on better terms, they should bring that party forward. Otherwise, the Court should disregard the Committee's objection.

42. The Committee also objects to certain other "miscellaneous provisions such as payments to family members, waiver of marshaling, and broad releases are inappropriate given the facts and circumstances of these chapter 11 cases." See Committee Objection at ¶25.[8] The UST also objects to the release provisions in the proposed DIP Order.

43. First, with respect to the "release," the Debtors have clarified the language in the Revised DIP Order to reflect that the release, which is from the Debtors only and remains subject to the Committee's investigation and challenge period, only applies to the pre-petition "lending" relationship (a provision consistent with what Rosenthal and any other pre-petition lender would require in connection with the consensual use of cash collateral).

44. The Committee fails to explain why the prohibition on marshaling is inappropriate. There is nothing unique or the circumstances of these cases that makes the prohibition on marshaling improper, especially when considering there are no non-debtor assets implicated here for the DIP lender to first pursue.

45. Finally, objecting to the payments to family members is misguided and, frankly, considering that it is being funded by the DIP loan, much ado about nothing. As was explained by Gregg at the first day hearing, Ms. Holton plays a critical role in the operations of the Debtors, particularly on the design and retail side of the business. Mr. Gerszberg remains the CEO of the Debtors and remains actively involved in the operation of the business. That Gregg was engaged to address the need for these Debtors to pursue restructuring alternatives does not render Mr. Gerszberg's role with the Debtors a nullity. They are entitled to be compensated. Accordingly, there is nothing improper about utilizing DIP proceeds to make the payments to

[8] In paragraph 32 of the Committee Objection, they identify the "Financial Covenant Test" as among the other objectionable provisions. The Debtors have sought and obtained modifications to that provision as set forth in the Revised DIP Order and the Debtors believe they can comply with the covenants as revised.

Ms. Holton and to Mr. Gerszberg.[9] Again, Suchman is making the funds for these payments available through the DIP loan – a loan that appears unlikely to be repaid in full, so the Committee's objection rings hollow and is meant to be nothing more than a punitive measure.

46. Based on the foregoing, the Debtors respectfully request that the Court overrule the Objections to the DIP Motion. Any contrary result would leave the Debtors without access to financing or cash collateral and result in the need to immediately convert these cases to Chapter 7.

IV. CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court (i) deny the Objections to the extent not otherwise resolved, (i) enter the Revised Bid Procedures Order and Revised DIP Order and (iii) grant such other relief as the Court deems just and appropriate under the circumstances.

Respectfully submitted,

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.
Proposed Attorneys for MEE Apparel LLC and
MEE Direct LLC, Debtors-in-Possession

By: */s/ Michael D. Sirota*
Michael D. Sirota, Esq.
David M. Bass, Esq.
Felice R. Yudkin, Esq.

DATED: April 20, 2014

[9] The Debtors advised the Committee prior to it filing the Objection that Mr. Gerszberg's mother, Rose Gerszberg, was no longer employed by the Debtors and no longer being compensated by the Debtors.

EXHIBIT A

UNITED STATES BANKRUPTCY COURT **DISTRICT OF NEW JERSEY**	
Caption in Compliance with D.N.J. LBR 9004-2(c) COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A. A Professional Corporation Court Plaza North 25 Main Street P.O. Box 800 Hackensack, NJ 07602-0800 Michael D. Sirota David M. Bass Felice R. Yudkin (201) 489-3000 (201) 489-1536 Facsimile Proposed Attorneys for Debtors-In-Possession	
In re: MEE APPAREL LLC and MEE DIRECT LLC, Debtors-in-Possession.	Case No. 14-16484 (CMG) Judge: Christine M. Gravelle Chapter 11 (Jointly Administered)

ORDER (I) APPROVING BIDDING PROCEDURES FOR SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE ESTATES, (II) APPROVING EXPENSE REIMBURSEMENT, (III) APPROVING NOTICE PROCEDURES, (IV) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (V) SCHEDULING DATE FOR SALE HEARING

The relief set forth on the following pages, numbered two (2) through eight (8), is hereby **ORDERED**.

THIS MATTER having been opened to the Court by MEE Apparel LLC and MEE Direct LLC, the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), by and through their proposed counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., upon the motion (the "Motion"),[1] pursuant to sections 105(a) and 363 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code") and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for an order (i) approving the Sale Procedures, (ii) approving the Expense Reimbursement, (iii) approving notice procedures, (iv) approving the Assumption and Assignment Procedures, and (v) scheduling the date of the Sale Hearing; and upon consideration of the Exhibits to the Motion, and the authorities set forth and arguments made in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and the Court having found that the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b) and that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having determined that the relief sought in Part I of the Motion is in the best interests of the Debtors, their estates, their creditors and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon the record of the hearing held regarding the sale; and after due deliberation and sufficient cause appearing therefor,

[1] Unless otherwise indicated herein, all capitalized terms shall have the meaning provided for in the Motion.

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

B. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such. Unless otherwise noted, all capitalized terms used but not defined herein shall have the meanings given to such terms in the Motion.

C. The Sale Procedures attached as **Exhibit A** to this Order are reasonably calculated to maximize the value received by the Debtors for their Assets.

D. The amount of the Expense Reimbursement is fair and reasonable, was negotiated by the parties at arms' length and in good faith, and is: (i) an actual, necessary cost and expense of preserving the Debtors' estates within the meaning of 11 U.S.C. § 503(b); (ii) consistent with the real and substantial benefits that the Initial Bidder has conferred upon the Debtors' estates; (iii) reasonable and appropriate considering the size and nature of the proposed sale of the Assets and the Initial Bidder's efforts in connection with the sale; (iv) required to induce the Initial Bidder to continue pursuing the sale; and (v) a necessary cost of sale of the Assets and a sound and appropriate exercise of the Debtors' business judgment. The Expense Reimbursement has induced the Initial Bidder to submit a bid that will serve as a minimum bid upon which the Debtors, their creditors, and other bidders can rely. The Initial Bidder has provided a material benefit to the Debtors and their creditors by increasing the likelihood that the best possible purchase price for the Assets will be received.

E. Although the sale would include the transfer of "personally identifiable information" (as defined in section 101(41)(A) of the Bankruptcy Code), the transfer of such information is consistent with the Debtors' existing privacy policies. To the extent section 363(b)(1) applies in these cases, no consumer privacy ombudsman is required and the Debtors may disclose customer "personally identifiable information" to a purchaser of its assets in a bankruptcy sale in a manner that is consistent with the Debtors' policies.

F. The Assumption and Assignment Procedures attached as **Exhibit B** to this Order are fair and reasonably necessary to expedite the closing of the sale of Assets.

G. The forms of Auction and Sale Notice and Notice of Assumption and Assignment attached as **Exhibits C** and **D**, respectively, to this Order, if served by the Debtors as described in the Motion, provide sufficient notice of the events and deadlines set forth therein pursuant to Bankruptcy Rules 2002, 6004 and 6006.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Subject to the terms of this Order, the relief requested in the Motion, as modified herein, is granted.

2. The Sale of the Debtors' Assets to Suchman, LLC ("Initial Bidder") or a qualified overbidder (the prevailing of which, the "Buyer") shall be governed by the Sale Procedures, attached as **Exhibit A** hereto, which are hereby authorized, approved and made part of this Order as if fully set forth herein and shall be the exclusive method for the sale of the Assets. The Debtors are authorized to take all of the actions contemplated by the Sale Procedures, including conducting a sale by auction (the "Auction") of the Assets to the Buyer

pursuant to the Sale Procedures and the terms of this Order. Subject to the approval of an Asset Purchase Agreement ("APA") to be considered by the Court at the Sale Approval Hearing set for hearing below, the reimbursement of up to $200,000 of reasonable and documented out of pocket due diligence fees/expenses (including attorneys' fees and expenses) incurred by the Initial Bidder as the Expense Reimbursement is approved.

3. The Assumption and Assignment Procedures, attached as **Exhibit B** hereto, are hereby authorized, approved and made part of this Order as if fully set forth herein.

4. The Sale Motion shall be deemed an omnibus motion for assumption and assignment of the Purchased Contracts pursuant to Bankruptcy Rule 6006(f)(6).

5. The Court hereby schedules a Sale Hearing to be held **May 28, 2014 at 10:00 a.m.** (Eastern Time) before the Honorable Christine M. Gravelle, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of New Jersey, Courtroom #3, 402 E. State Street, Trenton, New Jersey, to consider the entry of an order, inter alia, approving the sale of the Assets free and clear of all liens, claims, interests and encumbrances and the assumption and assignment of the Purchased Contracts. The Debtors may adjourn the Sale Hearing one or more times without further notice by making an announcement in open Court or by the filing of a hearing agenda announcing the adjournment.

6. Any opposition to the Sale Motion shall be filed and served on or before May 23, 2014, at 4:00 p.m. (the "Sale Objection Deadline") (with the exception of objections to cure amounts which shall be filed and served on May 9, 2014, pursuant to the Assumption and Assignment Procedures). Any Reply in support of the Sale Motion shall be filed and served on or before May 27, 2014, at 12:00 p.m.

7. On or before April 24, 2014, the Debtors shall provide notice of the Sale Procedures, the time and place of the Auction, and the time and place of the Sale Hearing by filing on the docket of these cases and sending the Auction and Sale Notice attached as **Exhibit C** to this Order via first-class mail, to (i) counsel for the Official Committee of Unsecured Creditors, (ii) counsel for the Buyer, (iii) counsel for the prepetition secured lenders, (iv) all parties who assert liens with respect to the Assets, (v) all parties to each contract or lease that could become a Purchased Contract, (vi) the United States Trustee, (vii) the Securities and Exchange Commission, (viii) the Internal Revenue Service, (ix) the United States Attorney's Office, (x) the United States Attorney General's Office, (xi) all taxing authorities or recording offices which have a reasonably known interest in the relief requested, (xii) federal, state and local regulatory authorities, (xiii) each entity that previously expressed an interest in purchasing the Assets, and (xiv) the general service list established in these bankruptcy cases pursuant to Bankruptcy Rule 2002 and in compliance with First Day Orders of this Court entered in this case as to notice.

8. On or before April 24, 2014, the Debtors shall file on the docket of these cases and serve via overnight mail the Notice of Assumption and Assignment substantially in the form attached as **Exhibit D** to this Order upon all Non-Debtor Parties (as defined in the Assumption and Assignment Procedures appended to the Notice of Assumption and Assignment) to any contract or lease that could become a Purchased Contract and their counsel, if known. To the extent the Initial Bidder or Potential Bidder identifies a contract or lease that is not previously identified as a Purchased Contract, the Debtors shall send such

Notice of Assumption and Assignment to any affected Non-Debtor Party within one (1) business day.

9. Pursuant to Bankruptcy Rule 6006(f), the Debtors shall file with the Court and deliver to (i) counsel to the Initial Bidder, (ii) the U.S. Trustee, and (iii) counsel to the Official Committee of Unsecured Creditors, an alphabetized listing of all Non-Debtor Parties, together with a declaration confirming that the Notice of Assumption and Assignment has been sent to each Non-Debtor Party and their counsel, if known.

10. Any Cure Objection or Adequate Assurance Objection (each as defined in the Assumption and Assignment Procedures) must be filed and served in accordance with the procedures and deadlines set forth in the Assumption and Assignment Procedures. Any other objection to the Sale by a Non-Debtor Party shall be filed by the Sale Objection Deadline.

11. Except as otherwise provided in the Assumption and Assignment Procedures, to the extent that any Non-Debtor Party does not timely file and serve an objection as set forth herein, such Non-Debtor Party will be deemed (i) to have consented to the Cure Amount, if any; (ii) to have agreed that the Buyer has provided adequate assurance of future performance of the applicable Purchased Contract/s within the meaning of Bankruptcy Code section 365(b)(1)(C); (iii) to have agreed that all Defaults under the applicable Purchased Contract/s arising or continuing prior to the proposed assignment have been cured as a result or precondition of the proposed assignment, such that the Debtors and the Buyer shall have no liability or obligation with respect to any Default occurring or continuing prior to the proposed assignment; (iv) to have waived any right to terminate the applicable Purchased Contract/s or designate an early termination date under the applicable Purchased Contract/s as

a result of any Default that occurred and/or was continuing prior to the assignment date; and (v) to have consented to the assumption and assignment to Buyer of the applicable Purchased Contract/s.

12. Notwithstanding any provision in the Bankruptcy Rules to the contrary, (i) the terms of this Order shall be immediately effective and enforceable upon its entry, (ii) the Debtors are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and (iii) the Debtors may, in their discretion and without further delay, take any action and perform any act authorized under this Order.

13. All objections to Part I of the Motion, or the relief requested therein are overruled to the extent they have not been withdrawn, waived or otherwise resolved.

14. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

EXHIBIT A

EXHIBIT A
SALE PROCEDURES

MEE Apparel LLC and MEE Direct LLC (collectively, the "Debtors") entered into an Asset Purchase Agreement (the "APA"), with Suchman, LLC (the "Initial Bidder"), pursuant to which the Debtors contemplate the sale (the "Sale") of substantially all of their assets (the "Assets") to the Initial Bidder or other higher qualified bidder at Auction (defined below) (the prevailing of which, the "Buyer"). The proposed Sale pursuant to the APA is subject to competitive bidding, as set forth herein, and Bankruptcy Court approval. Any action or decision to be taken by Debtors, as described below, shall be taken in consultation with the Official Committee of Unsecured Creditors Committee ("Committee").

As contemplated by and incorporated into that certain Order Approving (i) Sale Procedures for Sale of Substantially all of the Assets of the Estates, (ii) Expense Reimbursement, (iii) Notice Procedures, (iv) Assumption and Assignment Procedures, and (v) Date For Sale Hearing (the "Bidding Procedures Order"), the following procedures (the "Sale Procedures") shall be the exclusive mechanism governing the Sale.

I. Access of Prospective Bidders to Non-Public Information

To receive non-public information concerning the Assets, each interested person or entity (other than the Initial Bidder) must deliver (unless previously delivered) to the advisors to the Debtors: Innovation Capital, LLC, 222 North Sepulveda Blvd., Suite 1300, El Segundo, CA 90245 (Attn: Matt Sodl); counsel for the Debtors: Cole, Schotz, Meisel, Forman & Leonard, P.A., Court Plaza North, 25 Main Street, P.O. Box 800, Hackensack, NJ 07602-0800 (Attn: Michael D. Sirota, Esq.); and counsel for the Committee: Otterbourg P.C., 230 Park Avenue, New York, NY 10169 (Attention David M. Posner, Esq.), the following:

A. Indication of Interest Letter.

An indication of interest letter (an "Indication of Interest"), which shall include: (i) information identifying the requesting party, and (ii) any assets expected to be excluded or

any additional assets desired to be included.

B. Confidentiality Agreement.

An executed confidentiality agreement which may be obtained from Innovation Capital.

C. Determination of Non-Public Information Recipients.

The Debtors shall have the discretion to determine whether a party (other than the Initial Bidder) may receive non-public information concerning the Assets (each, a "Prospective Bidder") based upon the Debtors' evaluation of the Indication of Interest submitted by such party, as well as other commercial and competitive considerations.

D. Notification of Non-Public Information Recipients; Due Diligence.

Upon determining that a party qualifies as a Prospective Bidder and, therefore, qualifies to receive non-public information, the Debtors shall promptly notify the Prospective Bidder in writing and provide the Prospective Bidder with access to (i) the same confidential evaluation materials and information initially provided by the Debtors to each other Prospective Bidder and (ii) such other financial information and other data related to the Debtors and the Assets as the Prospective Bidder may reasonably request that the Debtors, in their business judgment, determine to be reasonable and appropriate, which requests may include reasonable access to the senior management of the Debtors. In the event that any information or due diligence access is granted to any Prospective Bidder beyond any information or due diligence access which has been granted to the Initial Bidder, the Debtors shall provide to the Initial Bidder the same additional information or due diligence access.

II. <u>Submission of Bids and Determining Qualified Bids</u>

A. Terms and Conditions of a Qualified Bid.

Each offer, solicitation or proposal (a "Bid") from any interested person or entity (each, a "Potential Bidder") must be in writing and satisfy each of the following conditions

to be deemed a "Qualified Bid" and for the Potential Bidder (other than the Initial Bidder) to be considered as a "Qualified Bidder":

1. Identification of Bidder; Financial Capability; Adequate Assurance of Future Performance.

The Bid shall identify the Potential Bidder and the applicable Bidder's Sponsor (as defined below) (if any) and their representatives who are authorized to act on their behalf regarding the contemplated transaction. If the Potential Bidder is a newly formed acquisition vehicle, the Bid must include evidence (in the form of binding commitment letters, current financial statements, guarantees or otherwise) that the Potential Bidder and/or the Bidder's Sponsor (as defined below) is able to fulfill all other obligations in connection with the contemplated transactions including, but not limited to, paying liquidated damages, if any, and satisfying adequate assurance of future performance under any Purchased Contract ("Adequate Assurance Information").

Without limiting to any Non-Debtor Party's right to request Adequate Assurance Information or challenge the ability of a Potential Bidder's ability to provide adequate assurance of future performance in accordance with § 365 of the Bankruptcy Code, Adequate Assurance Information with respect to any a Real Property Lease[1] may include: (i) the Potential Bidder's intended use of the premises with proposed trade name, (ii) the Potential Bidder's prior two years' audited balance sheets and income statements (or un-audited, if available), (iii) the Potential Bidder's federal income tax returns for the most recent two years, (iv) pro forma capitalization of debt and equity of the Potential Bidder at closing and for the two-year period after the closing date, and (v) a copy of the Potential

[1] Unless otherwise noted, all capitalized terms used but not defined herein shall have the meanings given to such terms in the Debtors' Motion for an Order pursuant to 11 U.S.C. §§ 363 and 365 and Fed. R. Bankr. P. 2002, 6004 and 6006: (1) Approving a "Stalking Horse" Asset Purchase Agreement for the Sale of Substantially All the Debtors' Assets; (2) Approving Bidding Procedures and Form, Manner and Sufficiency of Notice Thereof; (3) Scheduling (a) an Auction Sale and (b) a Hearing to Consider Approving the Highest and Best Offer; (4) Authorizing the Debtors to Sell Substantially All Their Assets Free and Clear of Liens, Claims, Encumbrances, and Interests and to Assume and Assign Related Executory Contracts and Unexpired Leases; and (5) Granting Other Related Relief (the "Motion") (Docket No. 26).

Bidder's business plan, including sales and cash flow projections, and a discussion of such Potential Bidder's experience operating a business similar in nature to the Debtors' business. If a Potential Bidder's ability to consummate the proposed assumption and assignment, including the ability to provide adequate assurance of future performance, will rely upon the financial wherewithal of any parties other than the Potential Bidder itself, its Bid shall include Adequate Assurance Information for all such additional parties. The Debtors shall (a) within 24 hours of receipt of a Bid from a Potential Bidder (other than the Initial Bidder) and (b) with respect to the Initial Bidder, by no later than May 1, 2014 (the later of (a) and (b), the "Adequate Assurance Deadline"), provide a copy of the Adequate Assurance Information to those landlords (or their counsel) who have (x) submitted a written request (e-mail to Debtors' counsel is acceptable) for Adequate Assurance Information and (y) confirmed in writing to the Debtors' counsel (e-mail is acceptable) their agreement to keep such Adequate Assurance Information strictly confidential and use it solely for the purpose of evaluating whether a Potential Bidder or the Initial Bidder has provided adequate assurance of future performance under the applicable Real Property Lease(s).

2. Corporate Authority.

A Bid shall contain written evidence of the approval of the contemplated transaction by the Potential Bidder's Board of Directors (or comparable governing body); *provided, however*, that, if the Potential Bidder is an entity specially formed for the purpose of acquiring the Assets, then the Potential Bidder must furnish evidence or other information acceptable to the Debtors of the approval of the contemplated transactions by the Board of Directors (or comparable governing body) of controlling equity holder(s) of the Potential Bidder (the "Bidder's Sponsor").

3. Nature of Bids for the Assets.

A Bid must be a good faith offer to purchase the Assets on more favorable terms to the Debtors as those set forth in the APA. A Bid shall include a copy of the APA marked to show all changes requested by the Potential Bidder. Bids shall not be conditioned on

obtaining financing, shareholder approval or the outcome of due diligence, including environmental due diligence, by the Potential Bidder. Each Potential Bidder must agree that if its Bid is selected as the Successful Bid or the Alternate Bid (each as defined below), the Bid will remain binding and irrevocable until the closing of the Sale.

4. Minimum Bid.

The consideration proposed by the Bid submitted by a Potential Bidder other than the Initial Bidder must be in cash, or a combination of cash and/or assumed liabilities, and the cash component of the proposed Bid must equal or exceed the sum of:

(a) The minimum cash component of the Purchase Price (as defined in the APA) of $11,650,000.00 million; plus,

(b) The "Minimum Overbid Amount," which shall be $300,000. The Minimum Overbid Amount represents: (i) a reimbursement of actual, reasonable and necessary expenses of the Buyer in the amount of up to $200,000 (the "Expense Reimbursement") and (ii) an overbid in the amount of $100,000.

5. No Break-Up Fee, Etc. for Potential Bidders

A Bid may not request any break-up fee, termination fee, expense reimbursement or similar type of payment, nor shall any Qualified Bidder (other than the Initial Bidder) be entitled to any break-up fee, termination fee, expense reimbursement or similar type of payment. Neither the tendering of a Bid nor the determination that a Bid is either a Qualified Bid or the Successful Bid (as defined below) shall in any way entitle the Potential Bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment, including, without limitation, one for substantial contribution.

6. Good Faith Deposit

Each Bid from a Potential Bidder (other than the Initial Bidder) must be accompanied by a deposit in the amount of 10% of the total value of its Bid (each such deposit, a "Good Faith Deposit"). Each Good Faith Deposit shall be in the form of a bank check or wire

transfer pursuant to instructions issued by the Debtors, and shall be treated according to the terms specified herein.

7. Bid Deadline

The Debtors and the Bid Notice Parties must receive a Bid in writing, on or before the Bid Deadline, which shall be **May 19, 2014 at 12:00 p.m. Eastern Time (the "Bid Deadline")**.

FOR THE AVOIDANCE OF DOUBT, POTENTIAL BIDDERS SHOULD BE AWARE THAT ANY QUALIFIED BIDDER THAT DOES NOT SUBMIT A QUALIFIED BID BY THE BID DEADLINE WILL NOT BE ALLOWED TO (1) PERFORM ANY FURTHER DILIGENCE, (2) PARTICIPATE IN THE AUCTION UNDER ANY CIRCUMSTANCES OR (3) SUBMIT ANY OFFER AFTER THE BID DEADLINE OR AFTER THE AUCTION.

B. Determination of Qualified Bids.

1. Buyer

Notwithstanding anything in these Bidding Procedures to the contrary, the Initial Bidder is deemed a Qualified Bidder, and the Initial Bidder's Bid shall be deemed a Qualified Bid, for all applicable purposes under these Bidding Procedures with respect to the Sale, any Auction (as defined below) or otherwise.

2. Evaluation of Other Bids

The Debtors, in consultation with the Committee, shall determine in their sole discretion whether the Bid of a Potential Bidder is a Qualified Bid. The Debtors reserve the right to reject any Bid (even if such Bid constitutes a Qualified Bid) if the Debtors determine, in their sole discretion, that such Bid is inadequate or insufficient or the Debtors determine, in their sole discretion, that such Bid is not in conformity with the requirements of the Bankruptcy Code or any related rules, the terms set forth in the Bidding Procedures or contrary to the best interests of the Debtors and their estates. Any party may seek the Court's review of the Debtors' determination that a Potential Bidder is

not a Qualified Bidder; *provided, however*, that any such challenge must be raised and concluded prior to the commencement of the Auction. The Debtors' determination of the Qualified Bidders shall become irrevocable and unreviewable once the Auction has commenced.

Promptly after determining that a Bid received from a Potential Bidder satisfies each of the conditions set forth in Part A hereof and, therefore, constitutes a Qualified Bid, the Debtors shall notify the Potential Bidder that it has been selected as a Qualified Bidder.

C. Negotiation and Modification of Qualified Bids

Between the Bid Deadline and the Auction, the Debtors and the Committee may discuss, negotiate or seek clarification of any Qualified Bid from a Qualified Bidder. Without the written consent of the Debtors, a Qualified Bidder may not modify, amend or withdraw its Qualified Bid, except for proposed amendments to increase the purchase price or otherwise improve the terms of the Qualified Bid for the Debtors, during the period that such Qualified Bid remains binding as specified herein in accordance with Section II A 3 above.

D. Notice of the Auction

If, in addition to the Initial Bidder's Bid, the Debtors receive one or more Qualified Bids, an auction (the "Auction") will be held on **May 21, 2014, at 10:00 a.m. Eastern Time** at the offices of Cole, Schotz, Meisel, Forman & Leonard, P.A., Court Plaza North, 25 Main Street, Hackensack, NJ 07601 or at any such other location as the Debtors may hereafter designate (with notice of such alternate location given to all Qualified Bidders). On or before 1:00 p.m. Eastern Time on May 20, 2014, the Debtors shall provide each Qualified Bidder (including the Initial Bidder):

(a) written notice of the Auction; and

(b) a copy of the Qualified Bid that the Debtors and the Committee believe constitutes the highest and best offer and with which it intends to commence the Auction (the "Pre-Auction Successful Bid").

III. The Auction

A. Attendance at and Participation in the Auction.

The only parties eligible to participate in the Auction shall be Qualified Bidders (including the Initial Bidder) who have submitted a Qualified Bid to the Debtors prior to the Bid Deadline that was not rejected by the Debtors prior to the Auction. Representatives of, and advisors to, the Qualified Bidders, the applicable Bidder's Sponsor, the professionals and/or representatives of the Committee, representatives of the Debtors' lenders and the United States Trustee for the District of New Jersey (collectively, the "Observers") shall be entitled to attend the Auction.

B. The Auction Process.

1. The Debtors Shall Conduct the Auction.

The Debtors and their representatives shall direct and preside over the Auction. The bidding at the Auction shall start at the purchase price stated in the Pre-Auction Successful Bid and continue, in one or more rounds of bidding, so long as during each round at least one Overbid (as defined below) is submitted. All Overbids shall be made and received on an open basis, such that all material terms of each Overbid will be fully disclosed to all other bidders. The Debtors shall maintain a transcript of all bids made and announced at the Auction, including all Overbids and the Successful Bid.

2. No Collusion.

Each Qualifying Bidder (including the Initial Bidder) shall be required to acknowledge and agree in writing that it has not engaged (and agrees not to engage) in any collusion with respect to any Bids, the Auction or the Sale.

3. Terms of Overbids.

An "Overbid" is any bid made at the Auction after the Debtors' announcement of the Pre-Auction Successful Bid, (such bid meeting the requirements of Section II A 4 above) that is in the Debtors' sole discretion determined to be in an increment of at least $100,000 greater than the immediately preceding bid, and that otherwise complies with the terms and

conditions for a Qualified Bid as set forth above. In the event an Auction is conducted, the Initial Bidder shall be permitted, but is not required to, submit an Overbid and may credit bid the full amounts of its Expense Reimbursement claim and the Debtors' outstanding obligations under the DIP Facility and the Existing WF Credit Facility.

4. Announcing Overbids.

The Debtors shall announce the material terms of each Overbid at the Auction, and shall disclose its valuation of the total consideration offered in each such Overbid (and the basis for its determination) in order to confirm that each Overbid meets the requisite bid increment and to provide a floor for further Overbids.

5. Additional Terms and Conditions

The Debtors, in their sole discretion, may adopt additional rules for the Auction at or prior to the Auction that, in their sole discretion, will better promote the goals of the Auction and that are not inconsistent with any of the provisions of the Bidding Procedures Order.

IV. Identification of the Successful Bidder and Acceptance of Successful Bid

A. Identification of the Successful Bidder and Alternate Bidder.

At the close of the Auction, the Debtors, in consultation with the Committee, shall determine and identify, in their sole discretion and in the exercise of their business judgment, which Qualified Bidder had (i) the highest and best bid (the "Successful Bid," and the bidder being the "Successful Bidder") and (ii) the next highest and best bid (the "Alternate Bid," and the bidder being the "Alternate Bidder"), all of which will be determined by considering, among other things:

(a) the number, type and nature of any changes to the APA requested by each Qualified Bidder and whether such Bids are on different terms than those set forth in the APA; it being understood that certain modifications (including those that (i) increase the certainty of closing without delay, (ii) limit or eliminate seller indemnities, (iii) limit or eliminate any restrictions of the sale proceeds, and (iv) increase certainty with respect to liquidated

damages for a Buyer breach) may be viewed as improving the value of a Bid;

(b) the extent to which any requested modifications to the APA are likely to delay the closing, and the likely cost to the Debtors of any such modifications or delay;

(c) the total consideration to be received by the Debtors under the terms of each Bid;

(d) each Qualified Bidder's ability to timely close a transaction and make any deferred payments, if applicable;

(e) any savings in severance costs based on the number of employees projected to remain employed under the terms of each Bid;

(f) the likelihood of subsequent indemnity claims by each Qualified Bidder against the Debtors and the sale process; and

(g) the net benefit to the estates (taking into account, among other things, the requirement that the Debtors are obligated to pay the Initial Bidder the amount of the Expense Reimbursement if the Initial Bidder is not the Successful Bidder) and the likely timing and amount of distributions to creditors resulting from each Bid.

In announcing the Successful Bid and the Alternate Bid, the Debtors shall announce the material terms of each such Bid and the basis for determining the total consideration offered. If no Auction is held, then the Bid of the Initial Bidder as represented by the APA shall be deemed to be the Successful Bid.

B. Acceptance of Bid from Successful Bidder.

The Debtors presently intend to sell the Assets to the Successful Bidder, pursuant to the APA as modified by the terms of the Successful Bid. The Debtors shall be bound by the Successful Bid only when such Bid has been approved by the Court at the Sale Hearing (as defined below).

Except as otherwise provided in the APA as modified by the terms of the Successful Bid, and to the fullest extent permitted by the jurisdiction of the Bankruptcy Court, all of the Debtors' rights, title and interests in and to the Assets shall be sold free and clear of all liens, claims, encumbrances, and interests thereon and there against other than Permitted Encumbrances and Assumed Liabilities.

If the Debtors sell any or all of the Assets to a Successful Bidder other than the Initial Bidder, the Debtors will pay the Expense Reimbursement in accordance with the APA, as approved by the Court, except that no such Expense Reimbursement shall be paid to the Initial Bidder if the Initial Bidder is the Successful Bidder.

VI. The Sale Hearing

The hearing (the "Sale Hearing") to consider entry of the Sale Approval Order shall be held on **May 28, 2014, at 10:00 a.m. Eastern Time** or as soon thereafter as counsel may be heard, in the Courtroom of the Honorable Christine M. Gravelle, United States Bankruptcy Judge, Courtroom #3, and may be adjourned from time to time without further notice other than an announcement in open court at the Sale Hearing. At the Sale Hearing, if no other Qualified Bid was received, the Debtors will seek entry of an order, inter alia, authorizing and approving the sale of the Assets to the Initial Bidder pursuant to the terms and conditions set forth in the APA, or, if a Qualified Bid other than the Qualified Bid of Initial Bidder as set forth in the APA was identified as the Successful Bid, to the Successful Bidder pursuant to the APA as modified by the terms of the Successful Bid.

VII. Second Highest or Best Bid

If for any reason the Successful Bidder fails to consummate the purchase of the Assets within the time permitted in the APA, the Alternate Bidder with the second highest and best Bid for the Assets will automatically be deemed to have submitted the highest and best Bid. At the Sale Hearing, the Debtors will seek approval to sell the Assets to the Alternate Bidder on the terms of the Alternate Bid without further notice or order of the Court.

If the failure to consummate the Sale with the Successful Bidder is the result of a breach by such bidder, the Debtors specifically reserve the right to seek damages from such Successful Bidder or the related Bidder's Sponsors.

VIII. Treatment of Good Faith Deposit

Each Good Faith Deposit shall be held pursuant to an escrow agreement (the form of which is to be provided by the Debtors upon request), which provides among other things that the Good Faith Deposit will be forfeited to the Debtors if (i) the Qualified Bidder attempts to modify, amend or withdraw its Bid, except for proposed amendments to increase the purchase price or otherwise improve the terms of the Bid for the Debtors, during the time the Bid remains binding and irrevocable under these Bid Procedures, or (ii) the Qualified Bidder is selected as the Successful Bidder or Alternate Bidder and fails to consummate the purchase of the Assets according to these Bid Procedures. The Debtors shall promptly return to Qualified Bidder(s) any Good Faith Deposit made by such Qualified Bidder(s) only in the following circumstances; (i) a Bid that the Debtors determine not to be a Qualified Bid; (ii) any Qualified Bid that the Debtors do not select as the Successful Bid or Alternate Bid at the Auction; and (iii) any Alternate Bid, upon the closing of the Sale with the Successful Bidder.

EXHIBIT B

EXHIBIT B
ASSUMPTION AND ASSIGNMENT PROCEDURES

As contemplated by and incorporated into the affixed Bidding Procedures Order, the following procedures shall apply to the proposed assumption and assignment procedures (the "Assumption Procedures") for any executory contract or unexpired lease that may become a Purchased Contract to be assigned to Buyer. Unless otherwise noted, capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Bidding Procedures Order.

1. Assumption Notice. On or before April 24, 2014, the Debtors will file and serve a notice (the "Notice of Assumption and Assignment") of the potential assumption and assignment of Purchased Contract(s) to the Buyer pursuant to section 365 of the Bankruptcy Code, which shall be substantially in the form of Exhibit D attached to the Bidding Procedures Order and shall set forth the following information, to the best the Debtors' knowledge, as applicable: (i) all of the Debtors' executory contracts and unexpired leases that potentially could become a Purchased Contract; (ii) the names and addresses of the counterparties to all such executory contracts and unexpired leases (the "Non-Debtor Parties"); (iii) the proposed amount that must be paid to cure all prepetition and postpetition defaults under all such executory contracts and unexpired leases pursuant to section 365(b)(1)(A) of the Bankruptcy Code (for each listed executory contract or unexpired lease the "Cure Amount"), if any; (iv) the procedures for Non-Debtor parties to receive Adequate Assurance Information; and (v) the deadlines and procedures for filing objections to the potential assumption and assignment of any executory contract or unexpired lease listed in the Notice of Assumption and Assignment.

2. Service of the Notice of Assumption and Assignment. The Debtors will cause the Notice of Assumption and Assignment to be filed on the docket of the Debtors' bankruptcy cases

and served by overnight delivery upon the following parties (the "Assumption Notice Parties") (i) the Non-Debtor Parties and their counsel, if known; (ii) counsel to the Initial Bidder, Suchman, LLC: Venable LLP, 2049 Century Park East, Suite 2100, Los Angeles, CA 90067 (Attn: Ronn S. Davids, Esq.); (iii) counsel to the Official Committee of Unsecured Creditors: Otterbourg P.C., 230 Park Avenue, New York, NY 10169 (Attn: David M. Posner, Esq.); (iv) counsel to Rosenthal & Rosenthal, Inc., the Debtors' pre-petition secured lender: McElroy, Deutsch, Mulvaney & Carpenter, LLP, 40 West Ridgewood Avenue, Ridgewood, NJ 07450 (Attn: Eric R. Perkins, Esq.); (v) the Office of the United States Trustee, One Newark Center, 1085 Raymond Boulevard, Suite 2100, Newark, NJ 07102 (Attn: Jeffrey M. Sponder, Esq.) and (vi) any other parties in interest who are required to be given notice pursuant to Federal Rule of Bankruptcy Procedure 2002.

3. Cure Objections. Any Non-Debtor Party who objects to the Debtors' proposed Cure Amount must file and serve a written objection to the Debtors' proposed Cure Amount (a "Cure Objection") so that such Cure Objection is filed with the Clerk of the Court, United States Bankruptcy Court, 402 E. State Street, Trenton, New Jersey 08608, and is actually received by the Debtors' counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., 25 Main Street, Hackensack, New Jersey 07601 (Attn: Michael D. Sirota, Esq.) and the other Assumption Notice Parties by no later than May 9, 2014, at 4:00 p.m.

4. Adequate Assurance Objections. Any Non-Debtor Party who objects to the proposed assumption and assignment of its executory contract or unexpired lease on adequate assurance grounds must file and serve a written objection on such basis (an "Adequate Assurance Objection") so that such Adequate Assurance Objection is filed with the Clerk of the Court, United States Bankruptcy Court, 402 E. State Street, Trenton, New Jersey 08608, and is actually

received by the Debtors' counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., 25 Main Street, Hackensack, New Jersey 07601 (Attn: Michael D. Sirota, Esq.) and the Assumption Notice Parties by no later than the Sale Objection Deadline.

For any Real Property Lease the Debtors seek to assume and assign to the Buyer after Closing, the Debtors shall file and serve a supplemental Notice of Assumption and Assignment (a "Supplemental Assignment Notice") on the affected Non-Debtor Party. The Supplemental Assignment Notice shall provide (i) an updated proposed Cure Amount, and (ii) updated Adequate Assurance Information or a certification by the Buyer that there has been no material change to the Buyer's initial Adequate Assurance Information. To the extent the Buyer intends to assign a Real Property Lease to a non-Buyer party, the Supplemental Assignment Notice must include Adequate Assurance Information with respect to such non-Buyer party. The affected Non-Debtor Party shall have seven (7) calendar days from service of the Supplemental Assignment Notice to file and serve an objection (a "Supplemental Objection") on the Assumption Notice Parties, including without limitation a Supplemental Objection to the Debtors' updated proposed Cure Amount, updated Adequate Assurance Information or based on any post-Closing breach or default under the applicable unexpired lease or executory contract. Either the Debtors or the Non-Debtor Party may file a notice for hearing on not less than seven (7) calendar days' notice to determine any Supplemental Objection that the parties are not able to resolve consensually.

5. Event of No Objection. If any Non-Debtor Party fails to timely file a Cure Objection or Adequate Assurance Objection, then, subject to the Debtors' obligation to serve a Supplemental Assignment Notice with respect to any executory contract or unexpired lease the Debtors seek to assume and assign after Closing: (i) the Debtors' proposed Cure Amount shall,

for all periods through Closing, be binding upon the Non-Debtor Party with respect to the Debtors' obligations under § 365(b), and (ii) the Sale Order will constitute a final determination that, as of Closing, the Debtors have satisfied their burden of proof under § 365(b)(1)(C), § 365(b)(3) and § 365(f)(2)(B).

6. Payment of Cure Amount. All undisputed Cure Amounts shall be paid in accordance with § 365(b)(1)(A) of the Bankruptcy Code. Any disputed Cure Amount must be paid by the earlier of (i) when the Debtors and the Non-Debtor Party can agree to an amount in writing to the Cure Amount, or (ii) in accordance with § 365(b)(1)(A) of the Bankruptcy Code after the date of the entry of an order by the Bankruptcy Court determining the Cure Amount.

7. Adequate Assurance Information. The Debtors shall, in accordance with the Sale Procedures attached as Exhibit A to the Bidding Procedures Order (the "Sale Procedures"), provide the Adequate Assurance Information (as defined in the Sale Procedures) to the applicable Non-Debtor Party, or its counsel, for all Qualified Bidders. Non-Debtor Parties shall object to the Sale on adequate assurance grounds in accordance with these Assumption and Assignment Procedures.

8. Assignment Agreement. The Buyer will negotiate in good faith a short form assignment agreement with any landlord under a Purchased Contract that requests such an agreement.

EXHIBIT C

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.
A Professional Corporation
Court Plaza North
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Proposed Attorneys for MEE Apparel LLC and
MEE Direct LLC, Debtors-in-Possession

In re: MEE APPAREL LLC and MEE DIRECT LLC, Debtors-in-Possession.	UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY CASE NO. 14-16484 (CMG) Chapter 11 (Joint Administration Pending)

NOTICE OF BID DEADLINE, AUCTION AND SALE APPROVAL HEARING IN CONNECTION WITH THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS, AND ENCUMBRANCES

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. MEE Apparel LLC and MEE Direct LLC (collectively, the "**Debtors**") seek to sell substantially all of their assets (the "**Assets**") free and clear of any and all liens, claims, and encumbrances.

2. On April 2, 2014, the Debtors filed a motion (the "**Sale Motion**") with the United States Bankruptcy Court for the District of New Jersey (the "**Court**") seeking, among other things, entry of an order (the "**Bidding Procedures Order**"): (i) approving procedures (the "**Bidding Procedures**") for (a) submitting bids for the purchase of substantially all of the Debtors' assets, and (b) conducting an auction for the Debtors' assets (the "**Auction**"); (ii) authorizing the Debtors to enter into a stalking horse agreement for the purpose of establishing a minimum acceptable bid for the Assets; (iii) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases in connection with the sale of the Debtors' assets (the "**Assumption and Assignment Procedures**"); (iv) scheduling (a) a deadline to submit bids for the Debtors' assets, (b) the date and time of the Auction, (c) the date and time of the hearing to consider approval of the proposed sale of the Debtors' assets (the "**Sale Approval Hearing**"), and (d) a deadline to consummate the sale of the Debtors' assets; (v)

approving the form and manner of notice of the deadline to submit bids for the Debtors' assets, the Auction and the Sale Approval Hearing; and (vi) granting certain related relief.

3. On April [21], 2014, the Court entered the Bidding Procedures Order.

4. All interested parties are invited to make offers to purchase the Assets in accordance with the Bidding Procedures and the Bidding Procedures Order. Copies of the Bidding Procedures and Bidding Procedures Order may be obtained by (a) written request to the Debtors' counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., Court Plaza North, 25 Main Street, Hackensack, New Jersey 07601 (Attn: Michael D. Sirota, Esq.); (b) accessing the Court's website at https://ecf.njb.uscourts.gov/ (please note that a PACER password is needed to access documents on the Court's website); (c) viewing the docket of these cases at the Clerk of the Court, United States Bankruptcy Court, Clarkson S. Fisher Federal Building and U.S. Courthouse, 402 East State Street, Trenton, New Jersey 08608; or (d) the Debtors' court-appointed claims and noticing agent, Prime Clerk LLC. **All interested parties should carefully read the Bidding Procedures.**

5. The deadline to submit offers to purchase the Assets is **May 19, 2014 at 12:00 p.m. (Eastern Standard Time)** (the "**Bid Deadline**"). Pursuant to the Bidding Procedures and the Bidding Procedures Order, if two or more Qualified Bids (as defined in the Bidding Procedures) are received on or before the Bid Deadline, the Debtors shall conduct the Auction commencing on **May 21, 2014 at 10:00 a.m. (Eastern Standard Time)**, at the offices of Cole, Schotz, Meisel, Forman & Leonard, P.A., Court Plaza North, 25 Main Street, Hackensack, New Jersey 07601 or such other location as shall be identified on the Court's website, which can be found at https://ecf.njb.uscourts.gov (please note that a PACER password is needed to access documents on the Court's website) and on the website maintained by the Debtors' court-appointed claims and noticing agent, Prime Clerk LLC, to determine the highest or otherwise best bid for the Assets (the "**Successful Bid**"). Only an entity that has submitted a Qualified Bid (a "**Qualified Bidder**"), the Debtors' DIP lender, the Office of the United States Trustee for the District of New Jersey (the "**United States Trustee**"), the statutory committee of unsecured creditors appointed in the Debtors' chapter 11 cases (the "**Creditors' Committee**"), and such entities' respective advisors are eligible to participate in the Auction. The Auction may be adjourned or rescheduled without further notice by an announcement of the adjourned date at the Auction. The Debtors reserve the right to cancel the Auction if two or more Qualified Bids are not received as of the Bid Deadline.

6. The sale of the Assets to the Successful Bidder shall be presented for authorization and approval by the Court at the Sale Approval Hearing, which is scheduled to be held on **May 28, 2014 at 10:00 a.m. (Eastern Standard Time)** at the United States Bankruptcy Court for the District of New Jersey, Clarkson S. Fisher Federal Building and U.S. Courthouse, 402 East State Street, Trenton, New Jersey 08608. The Sale Approval Hearing may be adjourned or rescheduled without further notice by an announcement of the adjourned date at the Sale Approval Hearing.

7. Objections, if any, to approval of the sale of the Assets to the Successful Bidder, including any objections to the proposed assumption and assignment of certain Contracts and Leases pursuant to the Assumption and Assignment Procedures, must (i) be in writing,

(ii) comply with the Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of New Jersey (the "**Local Rules**"), (iii) set forth the name of the objector, (iv) state with particularity the legal and factual bases for such objection, and (v) be filed with the Clerk of the Court, United States Bankruptcy Court for the District of New Jersey, Clarkson S. Fisher US Courthouse, 402 East State Street, Trenton, New Jersey 08608, together with proof of service thereof, and served on the following parties **so as to be actually received no later than 4:00 p.m. (Eastern Standard Time) on May 23, 2014, at 4:00 p.m.** (the "**Objection Deadline**") (except for "Cure Objections", which shall be due on May 9, 2014, at 4:00 p.m.): (i) Cole, Schotz, Meisel, Forman & Leonard, P.A., Court Plaza North, 25 Main Street, Hackensack, New Jersey 07601 (Attn: Michael D. Sirota, Esq.), counsel for the Debtors; (ii) Venable LLP, 2049 Century Park East, Suite 2100, Los Angeles, California 90067 (Attn: Ronn S. David), counsel for the DIP lender, and (iii) Otterbourg, P.C., 230 Park Avenue, New York, NY 10169 (Attention David M. Posner, Esq.), counsel for the Creditors' Committee; (iv) the Office of the United States Trustee for the District of New Jersey, (v) the Securities and Exchange Commission, (vi) the Internal Revenue Service, (vii) the United States Department of Justice, (viii) office of the Attorney General for the State of New Jersey, and (ix) any persons who have filed a request for notice in the above-captioned chapter 11 cases on or before the Objection Deadline.

8. Failure of any entity to file an objection on or before the Objection Deadline shall be deemed to constitute consent to the sale of the Assets to the Successful Bidder and other relief requested in the Sale Motion, and be a bar to the assertion, at the Sale Approval Hearing or thereafter, of any objection to the Sale Motion, the Auction, the sale of the Assets, the assumption and assignment of Contracts and Leases to the Successful Bidder, or the Debtors' consummation and performance of the terms of the asset purchase agreement entered into with the Successful Bidder, if authorized by the Court.

9. Pursuant to the Bidding Procedures and Bidding Procedures Order, the Successful Bidder shall be required to consummate the purchase of the Assets by **11:59 p.m. (Eastern Standard Time) on May 30, 2014.**

10. This notice is subject to the full terms and conditions of the Sale Motion, the Bidding Procedures and the Bidding Procedures Order, and the Debtors encourage any interested parties to review such documents in their entirety. To the extent that this notice is inconsistent with the Bidding Procedures Order, the terms of the Bidding Procedures Order shall govern.

DATED: April ____, 2014

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.
Proposed attorneys for MEE Apparel LLC and MEE Direct LLC, Debtors-in-Possession

By: */s/ Michael D. Sirota*
Michael D. Sirota
David M. Bass
Felice R. Yudkin

EXHIBIT D

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In re: MEE APPAREL LLC and MEE DIRECT LLC, Debtors-in-Possession.	UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY CASE NO. 14-16484 (CMG) Chapter 11 (Joint Administration Pending)

NOTICE OF POSSIBLE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH THE SALE OF SUBSTANTIALLY ALL THE DEBTORS' ASSETS

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On April 2, 2014, MEE Apparel LLC and MEE Direct LLC, as debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the "**Debtors**"), filed a motion (the "**Sale Motion**") with the United States Bankruptcy Court for the District of New Jersey (the "**Court**") seeking, among other things, entry of an order (the "**Bidding Procedures Order**"): (i) approving procedures (the "**Bidding Procedures**") for submitting bids for the purchase of substantially all of the Debtors' assets (the "**Assets**"); (ii) approving procedures (the "**Assumption and Assignment Procedures**") for the assumption and assignment of certain executory contracts (the "**Contracts**") and unexpired leases (the "**Leases**") in connection with the sale of the Assets and resolution of any objections thereto; and (iii) scheduling the date and time of the hearing (the "**Sale Approval Hearing**") to consider approval of the proposed sale of the Assets to the successful bidder for the Assets (the "**Successful Bidder**").

2. On April [21], 2014, the Court entered the Bidding Procedures Order.

3. At the Sale Approval Hearing, the Debtors may seek to assume and assign the Contracts and Leases identified on **Exhibit 1** attached hereto (the "**Assignment Schedule**") to the Successful Bidder in connection with the sale of the Assets.

4. Any objection to the assumption and assignment of any Contract or Lease identified on the Assignment Schedule, including, without limitation, any objection to the amount, if any, determined by the Debtors to be necessary to be paid to cure any existing default under such Contract or Lease (the "**Cure Amount**") or to the ability of the Successful Bidder to provide adequate assurance of future performance under such Contract or Lease (an "**Adequate Assurance Objection**"), must (i) be in writing, (ii) set forth the basis for the objection as well as any cure amount that the objector asserts to be due (in all cases with appropriate documentation in support thereof), and (iii) be filed with the Clerk of the Court, United States Bankruptcy Court, Clarkson S. Fisher Building & U.S. Courthouse, 402 East State Street, Trenton, New Jersey 08608, and served on Cole, Schotz, Meisel, Forman & Leonard, P.A., Court Plaza North, 25 Main Street, Hackensack, New Jersey 07601 (Attn: Michael D. Sirota, Esq.), counsel for the Debtors, so as to be actually received by the deadlines set forth in this paragraph. Any objection to the Cure Amount must be filed in accordance with this paragraph by no later than May 9, 2014, at 4:00 p.m. (the "**Cure Objection Deadline**"). All other objections to the proposed sale of the Assets, including an Adequate Assurance Objection, must be filed in accordance with this paragraph by no later than May 23, 2014, at 4:00 p.m. (the "**Sale Objection Deadline**").

5. Any request for Adequate Assurance Information (as defined in the Sale Procedures attached as Exhibit A to the Bidding Procedures Order) regarding any Bidder (as defined in the Bidding Procedures Order) (a "**Request for Adequate Assurance Information**") may be made by email to msirota@coleschotz.com and must (i) include an email address, postal address and/or facsimile number to which a response to such request will be sent, and (ii) confirm that the recipient will enter into a Confidentiality Agreement in accordance with the Sale Procedures. Upon receiving a Request for Adequate Assurance Information, the Debtors shall provide such party with Adequate Assurance Information by the method requested in the Request for Adequate Assurance and by the deadlines imposed under the Sale Procedures.

6. If no objection to the proposed assumption and assignment of a Contract or Lease is timely received by the applicable Objection Deadline, as set forth in paragraph 4 above (as established under the Assumption and Assignment Procedures), and subject to the Debtors' obligation to serve a Supplemental Assignment Notice for any Purchased Contract the Debtors may seek to assume and assign to the Buyer after Closing, then the assumption and assignment is authorized and the respective Cure Amount set forth in the Assignment Schedule shall be binding upon the counterparty to the Contract or Lease for all purposes and will constitute a final determination of the Cure Amount required to be paid by the Debtors in connection with such assumption and assignment to the Successful Bidder.

7. Except as otherwise provided in the Assumption and Assignment Procedures, to the extent that any entity does not timely object as set forth above, such entity shall be (i) forever barred from objecting to assumption and assignment of the Contracts and Leases identified on the Assignment Schedule, including, without limitation, asserting any additional cure payments or requesting additional adequate assurance of future performance, (ii) deemed to have consented to the applicable Cure Amount, if any, and to the assumption and assignment of the applicable Contract or Lease, (iii) bound to such corresponding Cure Amount, if any, (iv) deemed to have agreed that the Successful Bidder has provided adequate assurance of future performance within the meaning of Section 365 of the Bankruptcy Code, (v) deemed to have agreed that all defaults under the applicable Contract or Lease arising or continuing prior to the effective date of the

assignment have been cured as a result or precondition of the assignment, such that the Successful Bidder or the Debtors shall have no liability or obligation with respect to any default occurring or continuing prior to the assignment, and from and after the date of the assignment the applicable Contract or Lease shall remain in full force and effect for the benefit of the Successful Bidder and such entity in accordance with its terms, (vi) deemed to have waived any right to terminate the applicable Contract or Lease or designate an early termination date under the applicable Contract or Lease as a result of any default that occurred and/or was continuing prior to the assignment date, and (vii) deemed to have agreed that the terms of the Sale Order shall apply to the assumption and assignment of the applicable Contract or Lease.

8. If you agree with the Cure Amount identified on the Assignment Schedule and have no other objection to the Sale or the potential assumption and assignment of your executory contract or unexpired lease to the Buyer, you need not take any further action.

9. The Debtors reserve the right to supplement and modify the Assignment Schedule at any time, provided that to the extent that the Debtors add a Contract or Lease to the Assignment Schedule or modify the Cure Amount, the affected party shall receive a separate notice and an opportunity to object to such addition or modification.

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.
Proposed Attorneys for MEE Apparel LLC and MEE Direct LLC, Debtors-in-Possession

By: */s/ Michael D. Sirota*
Michael D. Sirota
David M. Bass
Felice R. Yudkin

DATED: April ____, 2014

REDLINE

~~Page 1~~
~~Debtors: MEE APPAREL LLC / MEE DIRECT LLC~~
~~Case Nos. 14-16484 (CMG)~~
~~Caption: ORDER (I) APPROVING BIDDING PROCEDURES FOR SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE ESTATES, (II) APPROVING EXPENSE REIMBURSEMENT, (III) APPROVING NOTICE PROCEDURES, (IV) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (V) SCHEDULING DATE FOR SALE HEARING~~

UNITED STATES BANKRUPTCY COURT **DISTRICT OF NEW JERSEY**	
Caption in Compliance with D.N.J. LBR 9004-2(c) COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A. A Professional Corporation Court Plaza North 25 Main Street P.O. Box 800 Hackensack, NJ 07602-0800 Michael D. Sirota David M. Bass Felice R. Yudkin (201) 489-3000 (201) 489-1536 Facsimile Proposed Attorneys for Debtors-In-Possession	
In re: MEE APPAREL LLC and MEE DIRECT LLC, Debtors-in-Possession.	Case No. 14-16484 (CMG) Judge: Christine M. Gravelle Chapter 11 (Jointly Administered)

ORDER (I) APPROVING BIDDING PROCEDURES FOR SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE ESTATES, (II) APPROVING EXPENSE REIMBURSEMENT, (III) APPROVING NOTICE PROCEDURES, (IV) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (V) SCHEDULING DATE FOR SALE HEARING

The relief set forth on the following pages, numbered two (2) through eight (8), is hereby **ORDERED**.

Debtors: MEE APPAREL LLC / MEE DIRECT LLC
Case Nos. 14-16484 (CMG)
Caption: ORDER (I) APPROVING BIDDING PROCEDURES FOR SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE ESTATES, (II) APPROVING EXPENSE REIMBURSEMENT, (III) APPROVING NOTICE PROCEDURES, (IV) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (V) SCHEDULING DATE FOR SALE HEARING

THIS MATTER having been opened to the Court by MEE Apparel LLC and MEE Direct LLC, the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), by and through their proposed counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., upon the motion (the "Motion"),[1] pursuant to sections 105(a) and 363 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code") and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") **for an order** (i) approving the Sale Procedures, (ii) approving the Expense Reimbursement, (iii) approving notice procedures, (iv) approving the Assumption and Assignment Procedures, and (v) scheduling the date of the Sale Hearing; and upon consideration of the Exhibits to the Motion, and the authorities set forth and arguments made in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and the Court having found that the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b) and that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having determined that the relief sought in **Part I of** the Motion is in the best interests of the Debtors, their estates, their creditors and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon the record of the hearing held regarding the sale; and after due deliberation and sufficient cause appearing therefor,

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[1] Unless otherwise indicated herein, all capitalized terms shall have the meaning provided for in the Motion.

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

B. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such. Unless otherwise noted, all capitalized terms used but not defined herein shall have the meanings given to such terms in the Motion.

C. The Sale Procedures attached as **Exhibit A** to this Order are reasonably calculated to maximize the value received by the Debtors for their Assets.

D. The amount of the Expense Reimbursement is fair and reasonable, was negotiated by the parties at arms' length and in good faith, and is: (i) an actual, necessary cost and expense of preserving the Debtors' estates within the meaning of 11 U.S.C. § 503(b); (ii) consistent with the real and substantial benefits that the ~~Buyer~~**Initial Bidder** has conferred upon the Debtors' estates; (iii) reasonable and appropriate considering the size and nature of the proposed sale of the Assets and the ~~Buyer~~**Initial Bidder**'s efforts in connection with the sale; (iv) required to induce the ~~Buyer~~**Initial Bidder** to continue pursuing the sale; and (v) a necessary cost of sale of the Assets and a sound and appropriate exercise of the Debtors' business judgment. The Expense Reimbursement has induced the ~~Buyer~~**Initial Bidder** to submit a bid that will serve as a minimum bid upon which the Debtors, their creditors, and other bidders can rely. The ~~Buyer~~**Initial Bidder** has provided a material benefit to the Debtors and their creditors by increasing the likelihood that the best possible purchase price for the Assets will be received.

E. **Although the sale would include the transfer of "personally identifiable information" (as defined in section 101(41)(A) of the Bankruptcy Code), the transfer of such information is consistent with the Debtors' existing privacy policies. To the extent section 363(b)(1) applies in these cases, no consumer privacy ombudsman is required and the Debtors may disclose customer "personally identifiable information" to a purchaser of its assets in a bankruptcy sale in a manner that is consistent with the Debtors' policies.**

F. ~~E.~~ The Assumption and Assignment Procedures attached as **Exhibit B** to this Order are fair and reasonably necessary to expedite the closing of the sale of Assets.

G. ~~F.~~ The forms of Auction and Sale Notice and Notice of Assumption and Assignment attached as **Exhibits C** and **D**, respectively, to this Order, if served by the Debtors as described in the Motion, provide sufficient notice of the events and deadlines set forth therein pursuant to Bankruptcy Rules 2002, 6004 and 6006.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Subject to the terms of this Order, the relief requested in the Motion**, as modified herein,** is granted ~~in its entirety~~.

2. The Sale of the Debtors' Assets to Suchman, LLC ("Initial Bidder" ~~or "Buyer"~~) or a qualified ~~over bidder~~**overbidder (the prevailing of which, the "Buyer")** shall be governed by the Sale Procedures, attached as **Exhibit A** hereto, which are hereby authorized, approved and made part of this Order as if fully set forth herein and shall be the exclusive method for the sale of the Assets. The Debtors are authorized to take all of the actions contemplated by the Sale Procedures, including conducting a sale by auction (the

"Auction") of the Assets to the ~~Initial Bidder or qualified over bidder~~**Buyer** pursuant to the Sale Procedures and the terms of this Order. Subject to the approval of an Asset Purchase Agreement ("APA") to be considered by the Court at the Sale Approval Hearing set for hearing below, the reimbursement of up to $200,000 of reasonable and documented out of pocket due diligence fees/expenses (including attorneys' fees and expenses) incurred by the Initial Bidder as the Expense Reimbursement is approved.

3. The Assumption and Assignment Procedures, attached as **Exhibit B** hereto, are hereby authorized, approved and made part of this Order as if fully set forth herein.

4. The Sale Motion shall be deemed an omnibus motion for assumption and assignment of the Purchased Contracts pursuant to Bankruptcy Rule 6006(f)(6).

5. The Court hereby schedules a Sale Hearing to be held ~~_____~~**May 28, 2014 at ~~____~~10:00 a.m.** (Eastern Time) before the Honorable Christine M. Gravelle, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of New Jersey, Courtroom #3, 402 E. State Street, Trenton, New Jersey, to consider the entry of an order, inter alia, approving the sale of the Assets free and clear of all liens, claims, interests and encumbrances and the assumption and assignment of the Purchased Contracts. The Debtors may adjourn the Sale Hearing one or more times without further notice by making an announcement in open Court or by the filing of a hearing agenda announcing the adjournment.

6. Any opposition to the Sale Motion shall be filed and served on or before ~~_____~~**May 23**, 2014**, at 4:00 p.m. (the "Sale Objection Deadline")** (with the exception of objections to ~~assumption and assignment~~**cure amounts** which shall be filed and

served **on May 9, 2014,** pursuant to the Assumption and Assignment Procedures). Any Reply in support of the Sale Motion shall be filed and served on or before ~~_____~~**May 27**, 2014**, at 12:00 p.m**.

7. ~~**3.** Within two business days after entry of this Order~~**On or before April 24, 2014**, the Debtors shall provide notice of the Sale Procedures, the time and place of the Auction, and the time and place of the Sale Hearing by **filing on the docket of these cases and** sending the Auction and Sale Notice attached as **Exhibit C** to this Order **via first-class mail**, to (i) counsel for the Official Committee of Unsecured Creditors~~, if appointed~~, (ii) counsel for the Buyer, (iii) counsel for the prepetition secured lenders, (iv) all parties who assert liens with respect to the Assets, (v) all parties to ~~the~~**each contract or lease that could become a** Purchased Contract~~s~~, (vi) the United States Trustee, (vii) the Securities and Exchange Commission, (viii) the Internal Revenue Service, (ix) the United States Attorney's Office, (x) the United States Attorney General's Office, (xi) all taxing authorities or recording offices which have a reasonably known interest in the relief requested, (xii) federal, state and local regulatory authorities, (xiii)~~ all non-debtor parties to Purchased Contracts; (xiv)~~ each entity that previously expressed an interest in purchasing the Assets, and ~~(xv)~~**(xiv)** the general service list established in these bankruptcy cases pursuant to Bankruptcy Rule 2002 and in compliance with First Day Orders of this Court entered in this case as to notice.

8. ~~**9.** No more than two (2) days after the schedules to the APA are substantially complete and the Purchased Contracts have been identified, the Debtors shall serve Notices~~**On or before April 24, 2014, the Debtors shall file on the docket of these cases and serve via overnight mail the Notice** of Assumption and Assignment substantially in the form

attached as **Exhibit D** to this Order upon all Non-Debtor Parties (as defined in the Assumption and Assignment Procedures~~) to the Purchased Contracts~~ **appended to the Notice of Assumption and Assignment) to any contract or lease that could become a Purchased Contract and their counsel, if known. To the extent the Initial Bidder or Potential Bidder identifies a contract or lease that is not previously identified as a Purchased Contract, the Debtors shall send such Notice of Assumption and Assignment to any affected Non-Debtor Party within one (1) business day**.

9. ~~*10.*~~ Pursuant to Bankruptcy Rule 6006(f), the Debtors shall file with the Court and deliver to (i) counsel to the ~~Buyer~~**Initial Bidder**, (ii) the U.S. Trustee, and (iii) counsel to the Official Committee of Unsecured Creditors, ~~if appointed,~~ an alphabetized listing of all Non-Debtor Parties, together with a declaration confirming that the Notice~~s~~ of Assumption and Assignment ha~~ve~~s been sent to each Non-Debtor Party **and their counsel, if known**.

~~*11.* To the extent that any Non-Debtor Party wishes to object regarding (i) the proposed Cure Amount (as defined in the Assumption and Assignment Procedures); (ii) the need to cure a default or early termination event, including any default or early termination event with respect to the Debtors and each of their respective affiliates, successors and assigns (a "Default") other than a Default relating to the commencement of a case under the Bankruptcy Code by any of the Debtors, or the insolvency or financial condition of any of the Debtors; (iii) the assurances of Buyer's future performance under the applicable Assumed Contract/s; or (iv) any other objection to the proposed assumption and assignment, then such Non-Debtor Party must, no later than no later than ten (10) calendar days after the date such Non-Debtor Party receives service of the relevant Assumption Notice (the "Objection Deadline"), file a written objection~~

~~with the Court, serve such written objection upon (a) counsel to the Debtors: *Cole, Schotz, Meisel, Forman & Leonard, P.A.,* Court Plaza North, 25 Main Street, P.O. Box 800, *Hackensack, New Jersey 0760*2-0800, Attn: Michael D. Sirota, Esq.; fax: 201-489-1536; email: msirota@coleschotz.com; (b) counsel to the Buyer: Venable LLP, Attn: Ronn Davids, fax: (310) 229-9901, email: rdavids@venable.com; and (c) counsel for *the Official Committee of Unsecured Creditors*, Attn: _____, fax: _____, email: _____, and deliver a courtesy copy of the objection to the Chambers of Judge Christine M. Gravelle, United States Bankruptcy Court, District of New Jersey, *402 E. State Street, Trenton, New Jersey*, Courtroom #3. All objections must state the grounds therefor, including (i) if the Non-Debtor Party objects to the Debtors' proposed Cure Amount, specifying the Non-Debtor Party's alleged cure amount (including all relevant details regarding specific dates, charges, and calculations of amounts alleged to be due under the applicable Assumed Contract), and/or (ii) describing such other Defaults that the Non-Debtor Party alleges must be cured to effect assignment of the applicable Assumed Contract. To the extent not otherwise heard prior in accordance with the Assumption and Assignment Procedures, objections filed pursuant to these procedures shall be heard at the Sale Hearing.~~

10. Any Cure Objection or Adequate Assurance Objection (each as defined in the Assumption and Assignment Procedures) must be filed and served in accordance with the procedures and deadlines set forth in the Assumption and Assignment Procedures. Any other objection to the Sale by a Non-Debtor Party shall be filed by the Sale Objection Deadline.

11. ~~12. To~~**Except as otherwise provided in the Assumption and Assignment Procedures, to** the extent that any Non-Debtor Party does not timely file and serve an objection as set forth herein, such Non-Debtor Party will be deemed (i) to have consented to the Cure Amount, if any; (ii) to have agreed that the Buyer has provided adequate assurance of future performance of the applicable ~~Assumed~~**Purchased** Contract/s within the meaning of Bankruptcy Code section 365(b)(1)(C); (iii) to have agreed that all Defaults under the applicable ~~Assumed~~**Purchased** Contract/s arising or continuing prior to the proposed assignment have been cured as a result or precondition of the proposed assignment, such that the Debtors and the Buyer shall have no liability or obligation with respect to any Default occurring or continuing prior to the proposed assignment; (iv) to have waived any right to terminate the applicable ~~Assumed~~**Purchased** Contract/s or designate an early termination date under the applicable ~~Assumed~~**Purchased** Contract/s as a result of any Default that occurred and/or was continuing prior to the assignment date; and (v) to have consented to the assumption and assignment to Buyer of the applicable ~~Assumed~~**Purchased** Contract/s.

12. ~~13.~~ Notwithstanding any provision in the Bankruptcy Rules to the contrary, (i) the terms of this Order shall be immediately effective and enforceable upon its entry, (ii) the Debtors are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and (iii) the Debtors may, in their discretion and without further delay, take any action and perform any act authorized under this Order.

13. ~~*14.*~~ All objections to **Part I of** the Motion**,** or the relief requested therein ~~(and all reservations of rights included therein)~~ are overruled to the extent they have not been withdrawn, waived or otherwise resolved.

14. ~~15.~~ The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

EXHIBIT A
SALE PROCEDURES

MEE Apparel LLC and MEE Direct LLC (collectively, the "Debtors") ~~expect to enter~~**entered** into an Asset Purchase Agreement (the "APA"), with ~~a certain purchaser or one of its affiliates (the "Buyer~~**Suchman, LLC (the "Initial Bidder**"), pursuant to which the Debtors contemplate the sale (the "Sale") of substantially all of their assets (the "Assets")~~.~~ **to the Initial Bidder or other higher qualified bidder at Auction (defined below) (the prevailing of which, the "Buyer"). The proposed Sale pursuant to the APA is subject to competitive bidding, as set forth herein, and Bankruptcy Court approval.** Any action or decision to be taken by Debtors, as described below, shall be taken in consultation with the Official Committee of Unsecured Creditors Committee ("Committee")~~, if a Committee is appointed~~.

As contemplated by and incorporated into that certain Order Approving (i) Sale Procedures for Sale of Substantially all of the Assets of the Estates, (ii) Expense Reimbursement, (iii) Notice Procedures, (iv) Assumption and Assignment Procedures, and (v) Date For Sale Hearing (the "~~Sale~~**Bidding** Procedures Order"), the following procedures (the "Sale Procedures") shall be the exclusive mechanism governing the Sale.

I. Access of Prospective Bidders to Non-Public Information

To receive non-public information concerning the Assets, each interested person or entity (other than the ~~Buyer~~**Initial Bidder**) must deliver (unless previously delivered) to the advisors to the Debtors: Innovation Capital, LLC, 222 North Sepulveda Blvd., Suite 1300, El Segundo, CA 90245~~,~~ **(Attn: Matt Sodl);** counsel for the Debtors: Cole, Schotz, Meisel, Forman & Leonard, P.A., Court Plaza North, 25 Main Street, P.O. Box 800, Hackensack, NJ 07602-0800 **(Attn: Michael D. Sirota, Esq.)**; and counsel for the Committee: ~~_____~~**Otterbourg P.C., 230 Park Avenue, New York, NY 10169 (Attention David M. Posner, Esq.)**, the following:

A. Indication of Interest Letter.

An indication of interest letter (an "Indication of Interest"), which shall include: (i) information identifying the requesting party, and (ii) any assets expected to be excluded or any additional assets desired to be included.

B. Confidentiality Agreement.

An executed confidentiality agreement which may be obtained from Innovation Capital.

C. Determination of Non-Public Information Recipients.

The Debtors shall have the discretion to determine whether a party (other than the ~~Buyer~~Initial Bidder) may receive non-public information concerning the Assets (each, a "Prospective Bidder") based upon the Debtors' evaluation of the Indication of Interest ~~Letter~~ submitted by such party, as well as other commercial and competitive considerations.

D. Notification of Non-Public Information Recipients; Due Diligence.

Upon determining that a party qualifies as a Prospective Bidder and, therefore, qualifies to receive non-public information, the Debtors shall promptly notify the Prospective Bidder in writing and provide the Prospective Bidder with access to (i) the same confidential evaluation materials and information initially provided by the Debtors to each other Prospective Bidder and (ii) such other financial information and other data related to the Debtors and the Assets as the Prospective Bidder may reasonably request that the Debtors, in their business judgment, determine to be reasonable and appropriate, which requests may include reasonable access to the senior management of the Debtors. In the event that any information or due diligence access is granted to any Prospective Bidder beyond any information or due diligence access which has been granted to the ~~Buyer~~Initial Bidder, the Debtors shall provide to the ~~Buyer~~Initial Bidder the same additional information or due diligence access.

II. Submission of Bids and Determining Qualified Bids

A. Terms and Conditions of a Qualified Bid.

Each offer, solicitation or proposal (a "Bid") from any interested person or entity ~~who has previously submitted to the Debtors adequate Evidence of Financial Capability~~ (each, a "Potential Bidder") must be in writing and satisfy each of the following conditions to be deemed a "Qualified Bid" and for the Potential Bidder (other than the ~~Buyer~~**Initial Bidder**) to be considered as a "Qualified Bidder~~.~~"**:**

1. Identification of Bidder; Financial Capability; Adequate Assurance of Future Performance.

The Bid shall identify the Potential Bidder and the applicable Bidder's Sponsor (as defined below) (if any) and their representatives who are authorized to act on their behalf regarding the contemplated transaction. If the Potential Bidder is a newly formed acquisition vehicle, the Bid must include evidence (in the form of binding commitment letters, current financial statements, guarantees or otherwise) that the Potential Bidder and/or the ~~Potential~~ Bidder's Sponsor **(**as defined below~~,~~**)** is able to fulfill all other obligations in connection with the contemplated transactions including, but not limited to, paying liquidated damages, if any, and satisfying adequate assurance of future performance under any ~~Assumed~~**Purchased** Contract **("Adequate Assurance Information").**

Without limiting to any Non-Debtor Party's right to request Adequate Assurance Information or challenge the ability of a Potential Bidder's ability to provide adequate assurance of future performance in accordance with § 365 of the Bankruptcy Code, Adequate Assurance Information with respect to any a Real Property Lease[1] may include: (i) the Potential Bidder's intended use of the premises

[1] Unless otherwise noted, all capitalized terms used but not defined herein shall have the meanings given to such terms in the Debtors' Motion for an Order pursuant to 11 U.S.C. §§ 363 and 365 and Fed. R. Bankr. P. 2002, 6004 and 6006: (1) Approving a "Stalking Horse" Asset Purchase Agreement for the Sale of Substantially All the Debtors' Assets; (2) Approving Bidding Procedures and Form, Manner and Sufficiency of Notice Thereof; (3) Scheduling (a) an Auction Sale and (b) a Hearing to Consider Approving the Highest and Best Offer; (4) Authorizing the Debtors to Sell Substantially All Their Assets Free and Clear of Liens, Claims, Encumbrances, and Interests and to Assume and Assign Related Executory Contracts and Unexpired

with proposed trade name, (ii) the Potential Bidder's prior two years' audited balance sheets and income statements (or un-audited, if available), (iii) the Potential Bidder's federal income tax returns for the most recent two years, (iv) pro forma capitalization of debt and equity of the Potential Bidder at closing and for the two-year period after the closing date, and (v) a copy of the Potential Bidder's business plan, including sales and cash flow projections, and a discussion of such Potential Bidder's experience operating a business similar in nature to the Debtors' business. If a Potential Bidder's ability to consummate the proposed assumption and assignment, including the ability to provide adequate assurance of future performance, will rely upon the financial wherewithal of any parties other than the Potential Bidder itself, its Bid shall include Adequate Assurance Information for all such additional parties. The Debtors shall (a) within 24 hours of receipt of a Bid from a Potential Bidder (other than the Initial Bidder) and (b) with respect to the Initial Bidder, by no later than May 1, 2014 (the later of (a) and (b), the "Adequate Assurance Deadline"), provide a copy of the Adequate Assurance Information to those landlords (or their counsel) who have (x) submitted a written request (e-mail to Debtors' counsel is acceptable) for Adequate Assurance Information and (y) confirmed in writing to the Debtors' counsel (e-mail is acceptable) their agreement to keep such Adequate Assurance Information strictly confidential and use it solely for the purpose of evaluating whether a Potential Bidder or the Initial Bidder has provided adequate assurance of future performance under the applicable Real Property Lease(s).

2. Corporate Authority.

A Bid shall contain written evidence of the approval of the contemplated transaction by the Potential Bidder's Board of Directors (or comparable governing body); *provided, however*, that, if the Potential Bidder is an entity specially formed for the purpose of

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Leases; and (5) Granting Other Related Relief (the "Motion") (Docket No. 26).

acquiring the Assets, then the Potential Bidder must furnish evidence or other information acceptable to the Debtors of the approval of the contemplated transactions by the Board of Directors (or comparable governing body) of controlling equity holder(s) of the Potential Bidder (the "Bidder's Sponsor").

3. Nature of Bids for the Assets.

A Bid must be a good faith offer to purchase the Assets on more favorable terms to the Debtors as those set forth in the APA. A Bid shall include a copy of the APA marked to show all changes requested by the Potential Bidder. Bids shall not be conditioned on obtaining financing, shareholder approval or the outcome of due diligence, including environmental due diligence, by the Potential Bidder. Each Potential Bidder must agree that if its Bid is selected as the Successful Bid or the Alternate Bid (each as defined below), the Bid will remain binding and irrevocable until the closing of the Sale.

4. Minimum Bid.

The consideration proposed by the Bid submitted by a Potential Bidder other than the ~~Buyer~~**Initial Bidder** must be in cash, or a combination of cash and/or assumed liabilities, and the cash component of the proposed Bid must equal or exceed the sum of:

(a) The minimum cash component of the Purchase Price **(as defined in the APA)** of $11,650,000.00 million ~~(as defined in the APA)~~; plus,

(b) The "Minimum Overbid Amount," which shall be $300,000. The Minimum Overbid Amount represents: (i) a reimbursement of actual, reasonable and necessary expenses of the Buyer in the amount of up to $200,000 (the "Expense Reimbursement") and (ii) an overbid in the amount of $100,000.

5. No Break-Up Fee, Etc. for Potential Bidders

A Bid may not request any break-up fee, termination fee, expense reimbursement or similar type of payment, nor shall any Qualified Bidder (other than the ~~Buyer~~**Initial Bidder**) be entitled to any break-up fee, termination fee, expense reimbursement or similar type of

payment. Neither the tendering of a Bid nor the determination that a Bid is either a Qualified Bid or the Successful Bid (as defined below) shall in any way entitle the Potential Bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment, *including, without limitation,* **one for substantial contribution**.

6. Good Faith Deposit

Each Bid from a Potential Bidder **(other than the Initial Bidder)** must be accompanied by a deposit in the amount of 10% of the total value of its Bid (each such deposit, a "Good Faith Deposit"). Each Good Faith Deposit shall be in the form of a bank check or wire transfer pursuant to instructions issued by the Debtors, and shall be treated according to the terms specified herein.

7. Bid Deadline

~~Provided that the Sale Approval Motion attaching the APA is filed by April 2, 2014,~~ ~~the~~**The** Debtors and the Bid Notice Parties must receive a Bid in writing, on or before the Bid Deadline, which shall be ~~———~~**May 19, 2014 at 4~~**12:00 p.m. Eastern Time (the "Bid Deadline").**

FOR THE AVOIDANCE OF DOUBT, POTENTIAL BIDDERS SHOULD BE AWARE THAT ANY QUALIFIED BIDDER THAT DOES NOT SUBMIT A QUALIFIED BID BY THE BID DEADLINE WILL NOT BE ALLOWED TO (1) PERFORM ANY FURTHER DILIGENCE, (2) PARTICIPATE IN THE AUCTION UNDER ANY CIRCUMSTANCES OR (3) SUBMIT ANY OFFER AFTER THE BID DEADLINE OR AFTER THE AUCTION.

B. Determination of Qualified Bids.

1. Buyer

Notwithstanding anything in these Bidding Procedures to the contrary, the ~~Buyer~~**Initial Bidder** is deemed a Qualified Bidder, and the ~~Buyer~~**Initial Bidder**'s Bid shall be deemed a Qualified Bid, for all applicable purposes under these Bidding Procedures with respect to the Sale, any Auction (as defined below) or otherwise.

2. Evaluation of Other Bids

The Debtors, in consultation with the Committee, shall determine in their sole discretion whether the ~~b~~**B**id of a Potential Bidder is a Qualified Bid. The Debtors reserve the right to reject any Bid (even if such Bid constitutes a Qualified Bid) if the Debtors determine, in their sole discretion, that such Bid is inadequate or insufficient or the Debtors determine, in their sole discretion, that such Bid is not in conformity with the requirements of the Bankruptcy Code or any related rules, the terms set forth in the Bidding Procedures or contrary to the best interests of the Debtors and their estates. Any party may seek the Court's review of the Debtors' determination that a Potential Bidder is not a Qualified Bidder; *provided, however*, that any such challenge must be raised and concluded prior to the commencement of the Auction. The Debtors' determination of the Qualified Bidders shall become irrevocable and unreviewable once the Auction has commenced.

Promptly after determining that a Bid received from a Potential Bidder satisfies each of the conditions set forth in Part A hereof and, therefore, constitutes a Qualified Bid, the Debtors shall notify the Potential Bidder that it has been selected as a Qualified Bidder.

C. Negotiation and Modification of Qualified Bids

Between the Bid Deadline and the Auction, the Debtors and the Committee may discuss, negotiate or seek clarification of any Qualified Bid from a Qualified Bidder. Without the written consent of the Debtors, a Qualified Bidder may not modify, amend or withdraw its Qualified Bid, except for proposed amendments to increase the purchase price or otherwise improve the terms of the Qualified Bid for the Debtors, during the period that such Qualified Bid remains binding as specified herein in accordance with Section II ~~D below~~**A 3 above**.

D. Notice of the Auction

If, in addition to the ~~Buyer~~**Initial Bidder**'s ~~b~~**B**id, the Debtors receive one or more Qualified Bids, an auction (the "Auction") will be held on ~~_____~~**May 21, 2014, at**

~~10:00~~ **10:00 a.m. Eastern Time** at the offices of Cole, Schotz, Meisel, Forman & Leonard, P.A., Court Plaza North, 25 Main Street, Hackensack, NJ 07601 or at any such other location as the Debtors may hereafter designate (with notice of such alternate location given to all Qualified Bidders). On or before 1:00 p.m. Eastern Time on ~~May~~ **May 20**, 2014, the Debtors shall provide each Qualified Bidder (including the ~~Buyer~~**Initial Bidder**):

(a) written notice of the Auction; and

(b) a copy of the Qualified Bid that the Debtors and the Committee believe constitutes the highest and best offer and with which it intends to commence the Auction (the "Pre-Auction Successful Bid").

III. The Auction

A. Attendance at and Participation in the Auction.

The only parties eligible to participate in the Auction shall be Qualified Bidders (including the ~~Buyer~~**Initial Bidder**) who have submitted a Qualified Bid to the Debtors prior to the Bid Deadline that was not rejected by the Debtors prior to the Auction. Representatives of, and advisors to, the Qualified Bidders, the applicable Bidder's Sponsor, the professionals and/or representatives of the Committee, representatives of the Debtors' lenders and the United States Trustee for the District of New Jersey (collectively, the "Observers") shall be entitled to attend the Auction.

B. The Auction Process.

1. The Debtors Shall Conduct the Auction.

The Debtors and their representatives shall direct and preside over the Auction. The bidding at the Auction shall start at the purchase price stated in the Pre-Auction Successful Bid and continue, in one or more rounds of bidding, so long as during each round at least one Overbid (as defined below) is submitted. All Overbids shall be made and received on an open basis, such that all material terms of each Overbid will be fully

disclosed to all other bidders. The Debtors shall maintain a transcript of all bids made and announced at the Auction, including all Overbids and the Successful Bid.

2. No Collusion.

Each Qualifying Bidder (including the ~~Buyer~~**Initial Bidder**) shall be required to acknowledge and agree in writing that it has not engaged (and agrees not to engage) in any collusion with respect to any Bids, the Auction or the Sale.

3. Terms of Overbids.

An "Overbid" is any bid made at the Auction after the Debtors' announcement of the Pre-Auction Successful Bid, (such bid meeting the requirements of Section II A 4 above) that is in the Debtors' sole discretion determined to be in an increment of at least $100,000 greater than the immediately preceding bid, and that otherwise complies with the terms and conditions for a Qualified Bid as set forth above. In the event an Auction is conducted, the ~~Buyer~~**Initial Bidder** shall be permitted, but is not required to, submit an Overbid and may credit bid the full amounts of its Expense Reimbursement claim and the Debtors' outstanding obligations under the DIP Facility and the Existing WF Credit Facility.

4. Announcing Overbids.

The Debtors shall announce the material terms of each Overbid at the Auction, and shall disclose its valuation of the total consideration offered in each such Overbid (and the basis for its determination) in order to confirm that each Overbid meets the requisite bid increment and to provide a floor for further Overbids.

5. Additional Terms and Conditions

The Debtors, in their sole discretion, may adopt additional rules for the Auction at or prior to the Auction that, in their sole discretion, will better promote the goals of the Auction and that are not inconsistent with any of the provisions of the Bidding Procedures Order.

IV. Identification of the Successful Bidder and Acceptance of Successful Bid

A. Identification of the Successful Bidder and Alternate Bidder.

At the close of the Auction, the Debtors, in consultation with the Committee, shall determine and identify, in their sole discretion and in the exercise of their business judgment, which Qualified Bidder had (i) the highest and best bid (the "Successful Bid," and the bidder being the "Successful Bidder") and (ii) the next highest and best bid (the "Alternate Bid," and the bidder being the "Alternate Bidder"), all of which will be determined by considering, among other things:

(a) the number, type and nature of any changes to the APA requested by each Qualified Bidder and whether such Bids are on different terms than those set forth in the APA; it being understood that certain modifications (including those that (i) increase the certainty of closing without delay, (ii) limit or eliminate seller indemnities, (iii) limit or eliminate any restrictions of the sale proceeds, and (iv) increase certainty with respect to liquidated damages for a Buyer breach) may be viewed as improving the value of a Bid;

(b) the extent to which any requested modifications to the APA are likely to delay the closing, and the likely cost to the Debtors of any such modifications or delay;

(c) the total consideration to be received by the Debtors under the terms of each Bid;

(d) each Qualified Bidder's ability to timely close a transaction and make any deferred payments, if applicable;

(e) any savings in severance costs based on the number of employees projected to remain employed under the terms of each Bid;

(f) the likelihood of subsequent indemnity claims by each Qualified Bidder against the Debtors and the sale process; and

(g) the net benefit to the estates (taking into account, among other things, the requirement that the Debtors are obligated to pay the

~~Buyer~~**Initial Bidder** the amount of the Expense Reimbursement if the ~~Buyer~~**Initial Bidder** is not the Successful Bidder) and the likely timing and amount of distributions to creditors resulting from each Bid.

In announcing the Successful Bid and the Alternate Bid, the Debtors shall announce the material terms of each such ~~b~~**B**id and the basis for determining the total consideration offered. If no Auction is held, then the Bid of the ~~Buyer~~**Initial Bidder** as represented by the APA shall be deemed to be the Successful Bid.

B. Acceptance of Bid from Successful Bidder.

The Debtors presently intend to sell the Assets to the Successful Bidder, pursuant to the APA as modified by the terms of the Successful Bid. The Debtors shall be bound by the Successful Bid only when such Bid has been approved by the Court at the Sale Hearing (as defined below).

Except as otherwise provided in the APA as modified by the terms of the Successful Bid, and to the fullest extent permitted by the jurisdiction of the Bankruptcy Court, all of the Debtors' rights, title and interests in and to the Assets shall be sold free and clear of all liens, claims, encumbrances, and interests thereon and there against other than Permitted Encumbrances and Assumed Liabilities.

If the Debtors sell any or all of the Assets to a Successful Bidder other than the ~~Buyer~~**Initial Bidder**, the Debtors will pay the Expense Reimbursement in accordance with the APA, as approved by the Court, except that no such Expense Reimbursement shall be paid to ~~Buyer if Buyer~~**the Initial Bidder if the Initial Bidder** is the Successful Bidder.

VI. The Sale Hearing

The hearing (the "Sale Hearing") to consider entry of the Sale Approval Order shall be held on ~~May~~ **May 28, 2014, at** ~~10:00 a~~**10:00 a.m. Eastern Time** or as soon thereafter as counsel may be heard, in the Courtroom of the Honorable Christine M. Gravelle, United States Bankruptcy Judge, Courtroom #3, and may be adjourned from time to time without further notice other than an announcement in open court at the Sale Hearing.

At the Sale Hearing, if no other Qualified Bid was received, the Debtors will seek entry of an order, inter alia, authorizing and approving the sale of the Assets to the ~~Buyer~~**Initial Bidder** pursuant to the terms and conditions set forth in the APA, or, if a Qualified Bid other than the Qualified Bid of ~~Buyer~~**Initial Bidder** as set forth in the APA was identified as the Successful Bid, to the Successful Bidder pursuant to the APA as modified by the terms of the Successful Bid.

VII. Second Highest or Best Bid

If for any reason the Successful Bidder fails to consummate the purchase of the Assets within the time permitted in the APA, the Alternate Bidder with the second highest and best ~~b~~**B**id for the Assets will automatically be deemed to have submitted the highest and best ~~b~~**B**id. At the Sale Hearing, the Debtors will seek approval to sell the Assets to the Alternate Bidder on the terms of the Alternate Bid without further notice or order of the Court.

If the failure to consummate the Sale with the Successful Bidder is the result of a breach by such bidder, the Debtors specifically reserve the right to seek damages from such Successful Bidder or the related Bidder's Sponsors.

VIII. Treatment of Good Faith Deposit

Each Good Faith Deposit shall be held pursuant to an escrow agreement (the form of which is to be provided by the Debtors upon request), which provides among other things that the Good Faith Deposit will be forfeited to the Debtors if (i) the Qualified Bidder attempts to modify, amend or withdraw its Bid, except for proposed amendments to increase the purchase price or otherwise improve the terms of the Bid for the Debtors, during the time the Bid remains binding and irrevocable under these Bid Procedures, or (ii) the Qualified Bidder is selected as the Successful Bidder or Alternate Bidder and fails to consummate the purchase of the Assets according to these Bid Procedures. The Debtors shall promptly return to Qualified Bidder(s) any Good Faith Deposit made by such Qualified Bidder(s) only in the following circumstances; (i) a Bid that the Debtors determine not to be a Qualified Bid; (ii)

any Qualified Bid that the Debtors do not select as the Successful Bid or Alternate Bid at the Auction; and (iii) any Alternate Bid, upon the closing of the Sale with the Successful Bidder.

EXHIBIT B
ASSUMPTION AND ASSIGNMENT PROCEDURES

As contemplated by and incorporated into the affixed ~~Sale~~**Bidding** Procedures Order, the following procedures shall apply to the proposed assumption and assignment procedures (the "Assumption Procedures") for ~~the Purchased Contracts~~**any executory contract or unexpired lease that may become a Purchased Contract to be assigned to Buyer. Unless otherwise noted, capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Bidding Procedures Order**.

1. Assumption Notice. ~~The Debtor~~**On or before April 24, 2014, the Debtors** will file and serve a notice (the "**Notice of** Assumption ~~Notice") to assume and assign (if applicable)~~ ~~any~~**and Assignment") of the potential assumption and assignment of** Purchased Contract(s) **to the Buyer** pursuant to section 365 of the Bankruptcy Code, which shall be substantially in the form of Exhibit D attached to the ~~Sale~~**Bidding** Procedures Order and shall set forth the following information, to the best the Debtors' knowledge, as applicable: (i) ~~the~~**all of the Debtors' executory contracts and unexpired leases that potentially could become a** Purchased Contract~~(s) to be assumed~~; (ii) the names and addresses of the counterparties to ~~such Purchased Contract(s)~~ **all such executory contracts and unexpired leases** (the "Non-Debtor Parties"); (iii) the proposed amount that must be paid to cure all prepetition and postpetition defaults under ~~an applicable Purchased Contract~~**all such executory contracts and unexpired leases** pursuant to section 365(b)(1)(A) of the Bankruptcy Code (**for each listed executory contract or unexpired lease** the "Cure Amount"), if any; **(iv) the procedures for Non-Debtor parties to receive Adequate Assurance Information;** and ~~(iv)~~**(v)** the deadlines and procedures for filing objections to the ~~Assumption Notice (as set forth below)~~**potential assumption and assignment**

of any executory contract or unexpired lease listed in the Notice of Assumption and Assignment.

2. Service of the **Notice of** Assumption ~~Notice~~**and Assignment**. The Debtors will cause the **Notice of** Assumption ~~Notice to be~~**and Assignment to be filed on the docket of the Debtors' bankruptcy cases and** served by overnight delivery ~~service~~ upon the following parties (the "Assumption Notice Parties") (i) ~~any~~**the** Non-Debtor ~~Party~~**Parties and their counsel, if known**; (ii) counsel to **the Initial Bidder,** Suchman**,** LLC: Venable LLP, 2049 Century Park East, Suite 2100, Los Angeles, CA 90067 (Attn: Ronn S. Davids, Esq.); (iii) counsel to ~~any official committee~~*the Official Committee of Unsecured Creditors***: Otterbourg P.C., 230 Park Avenue, New York, NY 10169 (Attn: David M. Posner, Esq.)**; (iv) counsel to ~~the~~ Rosenthal & Rosenthal, Inc.**, the Debtors' pre-petition secured lender**: McElroy, Deutsch, Mulvaney & Carpenter, LLP, 40 West Ridgewood Avenue, Ridgewood, NJ 07450 (Attn: Eric R. Perkins, Esq.); (v) the Office of the United States Trustee, One Newark Center, 1085 Raymond Boulevard, Suite 2100, Newark, NJ 07102 (Attn: ~~Mitchell B. Hausman~~**Jeffrey M. Sponder, Esq.**) and (vi) any other parties in interest who are required to be given notice pursuant to Federal Rule of Bankruptcy Procedure 2002.

3. ~~Objection Procedures. Parties objecting to a proposed assumption, including to the~~**Cure Objections. Any Non-Debtor Party who objects to the Debtors'** proposed Cure Amount~~,~~ must file and serve a written objection **to the Debtors' proposed Cure Amount (a "Cure Objection")** so that such ~~objection~~**Cure Objection** is filed with the Clerk of the Court, United States Bankruptcy Court, 402 E. State Street, Trenton, New Jersey 08608, and is actually received by the ~~following parties (the "Objection Notice Parties") (i)~~**Debtors' counsel,** Cole, Schotz, Meisel, Forman & Leonard, P.A., ~~Court Plaza North,~~ 25 Main Street, ~~P.O. Box 800,~~

Hackensack, New Jersey 0760~~2-0800,~~**1** (Attn: Michael D. Sirota, Esq.)~~; (ii) counsel to Suchman LLC: Venable LLP, 2049 Century Park East, Suite 2100, Los Angeles, CA 90067 (Attn: Ronn S. Davids, Esq.); (iii) counsel to any official committee; (iv) counsel to the Rosenthal & Rosenthal, Inc.: McElroy, Deutsch, Mulvaney & Carpenter, LLP, 40 West Ridgewood Avenue, Ridgewood, NJ 07450 (Attn: Eric R. Perkins, Esq.); (v) the Office of the United States Trustee, One Newark Center, 1085 Raymond Boulevard, Suite 2100, Newark, NJ 07102 (Attn: Mitchell B. Hausman)~~ and ~~(vi) any other parties in interest who are required to be given notice pursuant to Federal Rule of Bankruptcy Procedure 2002, no later than ten (10) calendar days after the date such Assumption Notice Party receives service of the relevant Assumption Notice.~~**the other Assumption Notice Parties by no later than May 9, 2014, at 4:00 p.m.**

4. Adequate Assurance Objections. Any Non-Debtor Party who objects to the proposed assumption and assignment of its executory contract or unexpired lease on adequate assurance grounds must file and serve a written objection on such basis (an "Adequate Assurance Objection") so that such Adequate Assurance Objection is filed with the Clerk of the Court, United States Bankruptcy Court, *402 E. State Street, Trenton, New Jersey* **08608, and is actually received by the Debtors' counsel,** *Cole, Schotz, Meisel, Forman & Leonard, P.A.*, **25 Main Street**, *Hackensack, New Jersey 0760*1 **(Attn: Michael D. Sirota, Esq.) and the Assumption Notice Parties by no later than the Sale Objection Deadline.**

For any Real Property Lease the Debtors seek to assume and assign to the Buyer after Closing, the Debtors shall file and serve a supplemental Notice of Assumption and Assignment (a "Supplemental Assignment Notice") on the affected Non-Debtor Party. The Supplemental Assignment Notice shall provide (i) an updated proposed Cure Amount, and (ii) updated Adequate Assurance Information or a certification by the Buyer that there has

been no material change to the Buyer's initial Adequate Assurance Information. To the extent the Buyer intends to assign a Real Property Lease to a non-Buyer party, the Supplemental Assignment Notice must include Adequate Assurance Information with respect to such non-Buyer party. The affected Non-Debtor Party shall have seven (7) calendar days from service of the Supplemental Assignment Notice to file and serve an objection (a "Supplemental Objection") on the Assumption Notice Parties, including without limitation a Supplemental Objection to the Debtors' updated proposed Cure Amount, updated Adequate Assurance Information or based on any post-Closing breach or default under the applicable unexpired lease or executory contract. Either the Debtors or the Non-Debtor Party may file a notice for hearing on not less than seven (7) calendar days' notice to determine any Supplemental Objection that the parties are not able to resolve consensually.

5. ~~4.~~ Event of No Objection. If ~~an objection to the assumption of~~ any ~~Purchased Contract(s) is not timely filed, then: (i)~~**Non-Debtor Party fails to timely file a Cure Objection or Adequate Assurance Objection, then, subject to the Debtors' obligation to serve a Supplemental Assignment Notice with respect to any executory contract or unexpired lease the Debtors seek to assume and assign after Closing: (i)** the Debtors' proposed Cure Amount shall**, for all periods through Closing,** be binding upon the Non-Debtor Party ~~for all purposes in the Chapter 11 Cases and~~**with respect to the Debtors' obligations under § 365(b), and (ii) the Sale Order** will constitute a final determination ~~of the assumption and assignment to the Buyer.~~

~~5. Unresolved Objections. If an objection to the assumption of any Purchased Contract(s) is timely filed and not withdrawn or resolved, the Debtors shall file a notice for a hearing to consider the objection for the Purchased Contract(s) to which such objection relates~~

~~(the "Assumption Motion Hearing"). If such objection is overruled or withdrawn, such Purchase Contract(s) shall be assumed and assigned in accordance with the provisions of the APA.~~**that, as of Closing, the Debtors have satisfied their burden of proof under § 365(b)(1)(C), § 365(b)(3) and § 365(f)(2)(B).**

6. Payment of Cure Amount. All undisputed Cure Amounts shall be paid ~~within ten~~ **in accordance with § 365(b)**(1~~0~~) ~~days~~**(A)** of the ~~Assumption Date~~**Bankruptcy Code**. Any disputed Cure Amount must be paid by the earlier of ~~(i)~~**(i)** when the Debtors and the Non-Debtor Party can agree to an amount **in writing to the Cure Amount,** or ~~(ii)~~**(ii)** ~~ten (10) days~~**in accordance with § 365(b)(1)(A) of the Bankruptcy Code** after the date of the entry of an order by the Bankruptcy Court determining ~~an amount~~**the Cure Amount**.

7. ~~Assignment. Upon request, the Debtors shall provide information to the Non-Debtor Party demonstrating the Buyer's ability to comply with the requirements of adequate assurance of future performance under section 365(f)(2)(B) and, if applicable, section 365(b)(3) of the Bankruptcy Code, *including, without limitation,* the assignee's financial wherewithal and willingness to perform under the Purchase Contract(s) (such information, the "*Adequate Assurance Information*").~~**Adequate Assurance Information. The Debtors shall, in accordance with the Sale Procedures attached as Exhibit A to the Bidding Procedures Order (the "Sale Procedures"), provide the *Adequate Assurance Information* (as defined in the Sale Procedures) to the applicable Non-Debtor Party, or its counsel, for all Qualified Bidders. Non-Debtor Parties shall object to the Sale on adequate assurance grounds in accordance with these Assumption and Assignment Procedures.**

8. Assignment Agreement. The Buyer will negotiate in good faith a short form assignment agreement with any landlord under a Purchased Contract that requests such an agreement.

Document comparison by Workshare Professional on Sunday, April 20, 2014 4:35:20 PM

Input:	
Document 1 ID	interwovenSite://CSDMS/CSDOCS/10400247/5
Description	#10400247v5<CSDOCS> - MEE Apparel - Order Approving Bidding Procedures
Document 2 ID	interwovenSite://CSDMS/CSDOCS/10400247/8
Description	#10400247v8<CSDOCS> - MEE Apparel - Order Approving Bidding Procedures
Rendering set	Unsaved rendering set

Legend:	
Insertion	
~~Deletion~~	
~~*Moved from*~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	155
Deletions	169
Moved from	6
Moved to	6
Style change	0
Format changed	3
Total changes	339

EXHIBIT B

UNITED STATES BANKRUPTCY COURT **DISTRICT OF NEW JERSEY**	
Caption in Compliance with D.N.J. LBR 9004-2(c) COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A. A Professional Corporation Court Plaza North 25 Main Street P.O. Box 800 Hackensack, NJ 07602-0800 Michael D. Sirota David M. Bass Felice R. Yudkin (201) 489-3000 (201) 489-1536 Facsimile Proposed Attorneys for Debtors-In-Possession	
In re: MEE APPAREL LLC, Debtor-in-Possession.	Case No. 14-16484 (CMG) Judge: Christine M. Gravelle Chapter 11 (Jointly Administered)
In re: MEE DIRECT LLC, Debtor-in-Possession.	

FINAL ORDER (1) AUTHORIZING DEBTORS TO OBTAIN POSTPETITION SECURED FINANCING, (2) AUTHORIZING THE USE OF CASH COLLATERAL, (3) GRANTING LIENS AND SUPERPRIORITY CLAIMS, AND (4) MODIFYING THE AUTOMATIC STAY

The relief set forth on the following pages, numbered two (2) through fifty-nine (59), is hereby **ORDERED**.

THIS MATTER having been opened to the Court by MEE Apparel LLC and MEE Direct LLC, the within debtors and debtors-in-possession that are Borrowers and Guarantors (as such terms are defined below, collectively, the "Debtors"), by and through their proposed counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., upon motion (the "Motion") for entry of an interim order and this final order (the "Final Order"):

(1) authorizing the Debtors to obtain priming subordinated senior secured super-priority postpetition extensions of credit in an aggregate principal amount not to exceed $7 million (the "DIP Financing"), pursuant to this Final Order and that certain Financing Agreement substantially in the form attached hereto as **Exhibit A** (as the same may be amended, restated, supplemented, or otherwise modified from time to time pursuant to the terms thereof, including pursuant to paragraph 2 of this Final Order, the "DIP Credit Agreement" and together with any related documents and instruments delivered pursuant to or in connection therewith including, without limitation, documents as may be necessary or required to evidence the Debtors' obligations to Suchman, LLC (the "DIP Lender"), to consummate the terms and provisions of the Motion and this Final Order and to evidence perfection of the Liens (as defined in the Motion), the "DIP Loan Documents") by and among the Debtors and the DIP Lender;

(2) authorizing the Debtors to execute and enter into the DIP Credit Agreement and the other DIP Loan Documents and to perform such other and further acts as may be required in connection with the DIP Loan Documents;

(3) authorizing the Debtors' use of Cash Collateral (as defined below), on the terms and conditions set forth in this Final Order;

(4) granting, to the DIP Lender, certain security interests, liens and super-priority claims pursuant to Section 364 of title 11 of the United States Code, 11 U.S.C. § 101, et seq. (the "Bankruptcy Code");

(5) validating the Existing Factoring Agreements, the Existing Factoring Facility, and Existing WF Credit Facility (each as defined in the Motion) as valid, binding and properly perfected obligations of the Debtors, enforceable against the Debtors in accordance with their terms;

(6) granting adequate protection;

(7) modifying the automatic stay; and

(8) setting a final hearing to be held before this Court to consider entry of a Final Order authorizing and approving (a) the DIP Loan Documents on a final basis, (b) the Cash Collateral use by the Debtors on a final basis, and (c) authorizing and approving the other relief requested in the Motion to become effective pursuant to the Final Order; and

An interim hearing on the Motion (the "Interim Hearing") having been held on April 4, 2014 and an order having been entered on April 7, 2014 approving the Motion on an interim basis [Docket No. 68] (the "Interim Order"); and the Court having considered the Motion, the exhibits attached thereto including, without limitation, the DIP Credit Agreement, and the arguments of counsel, together with all declarations, exhibits and other evidence submitted at the Interim Hearing and the hearing on this Final Order (the "Final Hearing"); and in accordance with Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and the local rules of the Court (the "Local Rules"), due and proper notice of the Motion and the Final Hearing having been given; and all objections, if any, to the entry of this Final Order having been

withdrawn, resolved or overruled by this Court; and after due deliberation and consideration, and for good and sufficient cause appearing therefor,

THE COURT HEREBY FINDS AS A MATTER OF FACT AND CONCLUDES AS A MATTER OF LAW:

A. Chapter 11 Petitions. On April 2, 2014 (the "Petition Date"), each of the Debtors filed with this Court a voluntary petition (each, a "Petition," and collectively, the "Petitions") for relief under Chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner. On April 10, 2014, the U.S. Trustee appointed an official committee of unsecured creditors (the "Committee").

B. Jurisdiction; Venue. This Court has jurisdiction over the above captioned cases (the "Chapter 11 Cases") and the Motion pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought herein are Sections 105, 361, 362, 363, 364 and 507 of the Bankruptcy Code and Bankruptcy Rule 4001(b). Venue of the Chapter 11 Cases and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

C. Priority of Existing Factoring Facility. The DIP Financing shall be junior to the first priority lien of the Existing Factor (as defined in the Motion) under the Existing Factoring Agreements and the Existing Factoring Facility but senior to the pre-Petition Date liens

of Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility.

D. DIP Lender's Willingness to Extend DIP Financing and Permit Use of Cash Collateral. The DIP Lender has advanced the DIP Financing in the form of a revolving loan (the "Postpetition Loan") to the Debtors and permitted the Debtors to use Cash Collateral, in each case pursuant to the Initial Approved DIP Budget (as defined below) from the date of the Interim Order through the earlier of the Termination Date (as defined below) or entry of this Final Order (the "Interim Financing Period"), all as more fully set forth in the DIP Credit Agreement and other DIP Loan Documents. All capitalized terms used herein without definition shall have the respective meanings given such terms in the DIP Credit Agreement unless otherwise specified herein.

E. DIP Financing and Use of Cash Collateral Beyond the Interim Financing Period. The DIP Lender has agreed to provide continued DIP Financing to, and permit the use of its Cash Collateral by, the Debtors subsequent to the Interim Financing Period conditioned upon the entry of this Final Order authorizing continued extensions of credit to and borrowing and use of its Cash Collateral by the Debtors on the terms set forth in this Final Order and the DIP Loan Documents.

F. Budget for DIP Financing and Cash Collateral Use. Attached hereto as **Exhibit B** is a rolling budget setting forth all projected cash receipts and cash disbursements (by line item) on a weekly basis for the time period from the Petition Date through and including the week ended May 17, 2014 (collectively, the "Initial Approved DIP Budget"). The Initial

Approved DIP Budget may be modified or supplemented from time to time by additional budgets (covering any time period covered by a prior budget or covering additional time periods) prepared by the Debtors and approved by the DIP Lender and the Existing Factor, without subsequent order of the Court (each such additional budget, a "Supplemental Approved DIP Budget"). The Debtors shall promptly provide a copy of any Supplemental Approved DIP Budget to counsel for the Committee and the Office of the U.S. Trustee and shall file a copy of any such Supplemental Approved DIP Budget. The Initial Approved DIP Budget and any and all Supplemental Approved DIP Budgets, without duplication, shall constitute an "Approved DIP Budget." The Initial Approved DIP Budget is an integral part of this Final Order and has been relied upon by the DIP Lender and Existing Factor in deciding to agree to this Final Order and to provide the DIP Financing and to permit the use of Cash Collateral. The terms "business week," "week," "weekly period" and phrases to similar effect mean each weekly period ending on a Saturday.

G. Prepetition Indebtedness. Without prejudice to the rights of any other party, but subject to the time limitations specified below in paragraph 20 of this Final Order, the Debtors stipulate, and the Court finds based on the Debtors' stipulation, that as of the Petition Date:

(1) The Debtors are parties to the Existing Factoring Agreements, the Existing Factoring Facility, and the Existing WF Credit Facility (the "Prepetition Credit Agreements" and together with all other agreements, and documents relating thereto and executed prior to the Petition Date (in each case, as amended, restated, supplemented or otherwise modified from time to time) collectively, the "Prepetition Loan Documents").

(2) The borrowings and extensions of credit under the Prepetition Credit Agreements were used for working capital and general corporate purposes.

(3) Each of the Debtors is a Borrower under the Prepetition Credit Agreements.

(4) The Debtors granted to and/or for the benefit of the Existing Factor first priority and continuing Liens on the Existing Factor Collateral (as defined in the Motion), including, for the avoidance of doubt, substantially all of the personal property of each of the Debtors.[1] As of the Petition Date, the principal amount of indebtedness owed under the Existing Factoring Agreement to the Existing Factor by the Debtors, exclusive of accrued but unpaid interest, costs, fees and expenses, was approximately $6 million. Without prejudice to the rights of any other party, but subject to the time limitations specified below in paragraph 20 of this Final Order, the Debtors acknowledge and agree that the Liens and claims of the Existing Factor under the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations, including the Debtors' obligation to reimburse the Existing Factor for its reasonable professional fees herein (collectively, the "Existing Factor Lien Claims") are valid and binding agreements and obligations of the Debtors, and the Debtors acknowledge and agree that the Liens held by the Existing Factor constitute valid, binding, enforceable and perfected first-priority Liens, and that such priority is not modified by this Final Order. Without prejudice to the

[1] The Existing Factor, in addition to its security interests, also owns certain of the receivables created by the Debtors under the terms of the Existing Factor Agreements. Nothing herein, including the Existing Factor's consent to the characterization or use of such property as "collateral" or "cash collateral" shall in any way affect, alter, or impair the Existing Factor's ownership rights, and no inferences shall be drawn with respect thereto, provided however that the Liens being granted hereunder for the use of the proceeds of said receivables shall be in full force and effect regardless of whether said proceeds constitute Cash Collateral or property owned by the Existing Factor.

rights of any other party, but subject to the time limitations specified in paragraph 20 of this Final Order, the Debtors further acknowledge and agree that (i) the Existing Factor Lien Claims and all claims of the Existing Factor related thereto constitutes the legal, valid and binding obligation of the Debtors, enforceable in accordance with its terms, (ii) no objection, offset, defense or counterclaim of any kind or nature to the Existing Factor Lien Claims exists, and (iii) the Existing Factor Lien Claims, and any amounts previously paid to the Existing Factor or the Existing WF Facility Agent or the Existing WF Facility Lenders are not subject to avoidance, reduction, disallowance, impairment or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

(5) The Debtors granted to and/or for the benefit of the Existing WF Facility Lender and the Existing WF Facility Agent priority and continuing Liens on the Existing WF Collateral (as defined in the Motion), including, for the avoidance of doubt, substantially all of the personal property of each of the Debtors, and such Liens were, prior to the Petition Date (i) subordinated to the Liens of the Existing Factor under the Existing Factoring Agreements and the Existing Factoring Facility, and (ii) assigned to the DIP Lender. As of the Petition Date, the principal amount of the Existing WF Credit Facility owed to Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility by the Debtors, exclusive of accrued but unpaid interest, costs, fees and expenses, was approximately $20.38 million.

H. Validity of Existing WF Credit Facility Obligations and Prepetition Credit Facility Liens. Without prejudice to the rights of any other party, but subject to the time

limitations specified below in paragraph 20 of this Final Order, the Debtors acknowledge and agree that the Existing WF Credit Facility and its related agreements and obligations are valid and binding agreements and obligations of the Debtors, and the Debtors acknowledge and agree that the Liens granted under the Existing WF Credit Facility constitute valid, binding, enforceable and perfected Liens, with the respective priorities set forth above in paragraph G, as such have been modified by this Final Order. Without prejudice to the rights of any other party, but subject to the time limitations specified in paragraph 20 of this Final Order, the Debtors further acknowledge and agree that (i) the Existing WF Credit Facility constitutes the legal, valid and binding obligation of the Debtors, enforceable in accordance with its terms, (ii) no objection, offset, defense or counterclaim of any kind or nature to the Existing WF Credit Facility exists, and (iii) the Existing WF Credit Facility, and any amounts previously paid to the Existing Factor or the Existing WF Facility Agent or the Existing WF Facility Lenders (or their successors and assigns, including the DIP Lender) on account of the Existing WF Credit Facility, are not subject to avoidance, reduction, disallowance, impairment or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

I. Cash Collateral. For purposes of this Final Order, "Cash Collateral" shall mean and consist of all of the respective property of the Debtors that constitutes cash collateral in which either of the Prepetition Lenders (as defined in the Motion) has an interest as provided in Section 363(a) of the Bankruptcy Code. All cash and cash equivalents currently in an account of any Debtor or otherwise in the possession or control of any Debtor constitute proceeds of Cash Collateral and DIP Collateral, subject to the liens of the Existing Factor and Suchman, LLC as the

successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility.

J. DIP Financing. The Debtors have requested that, pursuant to the terms of the DIP Loan Documents, the DIP Lender make loans and advances and provide other financial accommodations to the Debtors and consent to the use of its Cash Collateral, to be used by the Debtors solely in accordance with the terms of the DIP Loan Documents. As a condition to the DIP Lender's agreement to enter into the DIP Credit Agreement (which DIP Credit Agreement is subordinated to the Existing Factoring Agreements and the Existing Factoring Facility), Suchman, LLC (as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders) has agreed to subordinate the Existing WF Credit Facility to the DIP Credit Agreement; provided, however, that as a condition to such subordination and priming, Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility, requires that the Existing WF Credit Facility be affirmed by the Debtors and shall continue and remain outstanding as obligations of the Debtors.

K. No Alternative Sources of Financing. The Debtors have been unable to obtain alternative sources of cash or credit either in the form of (i) unsecured credit allowable as an administrative expense under Section 503(b)(1) of the Bankruptcy Code, (ii) unsecured credit allowable under Sections 364(a) and 364(b) of the Bankruptcy Code, (iii) unsecured credit allowable solely as a superpriority administrative expense under Section 364(c)(1) of the Bankruptcy Code, or (iv) secured credit allowable pursuant to Sections 364(c)(2), (c)(3) and/or (d)(1) of the Bankruptcy Code on terms and conditions more favorable to the estates created by

the filing of the Petitions (collectively, the "Estates") than those set forth in the DIP Loan Documents and this Final Order. Under the circumstances, no other source of financing or financial accommodations exists on terms more favorable than those offered by the DIP Lender. Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility, and holder of a senior, secured priority Lien (subject only to the Liens of the Existing Factor) is not willing to subordinate to the Lien of any other party.

L. Collateral. The DIP Credit Agreement contemplates that all advances and extensions of credit under the DIP Credit Agreement and the other DIP Loan Documents shall constitute one general obligation of the Debtors secured, until the Termination Date, by a first priority Lien, senior to all other Liens, on all of the DIP Collateral (as defined below) (the "Postpetition Liens") except for the Lien of the Existing Factor granted under the Existing Factoring Agreements and with the understanding that the Postpetition Liens are intended to prime all other Liens.

M. Good Faith; Best Interests; Reasonably Equivalent Value. The DIP Lender in each of its capacities as the DIP Lender and as successor to the Existing WF Credit Facility has acted in good faith in, as applicable, agreeing to extend credit and other financial accommodations to, and permit the use of Cash Collateral by, the Debtors in accordance with the DIP Loan Documents and this Final Order. The agreements and arrangements authorized in this Final Order have been negotiated at arms' length among the Debtors, the DIP Lender and the Existing Factor, with all parties represented by experienced counsel, are fair and reasonable under

the circumstances, are enforceable in accordance with their terms and have been entered into in good faith. Any credit extended and loans made by the DIP Lender to the Debtors, as well as Cash Collateral used by the Debtors, pursuant to this Final Order and/or the DIP Loan Documents shall be deemed to have been extended in good faith, as that term is used in Section 364(e) of the Bankruptcy Code, and the DIP Lender is each entitled to the benefits of that Section. The terms of the DIP Credit Agreement and other DIP Loan Documents, and this Final Order, are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and constitute reasonably equivalent value and fair consideration. After considering all of their alternatives, the Debtors have concluded, in an exercise of their business judgment, that the DIP Financing to be provided by the DIP Lender pursuant to the terms of the DIP Loan Document and this Final Order and the provisions herein governing the Debtors' use of Cash Collateral represent the best financing presently available to the Debtors.

N. Good Cause Shown/Exigency. Good, adequate and sufficient cause was shown for the entry of the Interim Order. An immediate and critical need existed and continues to exist for the Debtors to borrow funds and/or obtain other extensions of credit and financial accommodations pursuant to the DIP Loan Documents in order to continue the operation of their businesses. The Debtors do not have sufficient available sources of working capital or financing to carry on the operation of their businesses without access to the DIP Financing provided by the DIP Credit Agreement and permission to use Cash Collateral. The ability of the Debtors to maintain business relationship with their vendors and suppliers so that they may be able to obtain

services and supplies and otherwise finance their business operations is essential to the Debtors continued viability and ability to structure their business operations. Without the DIP Financing and the right to use Cash Collateral, the Debtors' operations would be discontinued or severely disrupted, and the Debtors would be unable to pay operating expenses, including expenses for necessary inventory and payroll, and to operate their businesses in an orderly manner, thereby severely impairing their ability to reorganize. Accordingly, the Debtors and their Estates will suffer immediate and irreparable harm unless the Debtors are authorized to obtain DIP Financing and use Cash Collateral, subject to the terms and conditions set forth in this Final Order. Consequently, the relief requested in the Motion (i) is necessary, essential and appropriate for the continued operation of the Debtors' businesses and the management and preservation of their assets and properties, (ii) is in the best interests of the Debtors, their Estates and creditors, and (iii) will facilitate the Chapter 11 Cases by providing the parties and this Court with an opportunity to consider reorganization alternatives.

O. No Liability to Third Parties. The Debtors stipulate and the Court finds that in making decisions to advance loans and extend credit to the Debtors, in administering any loans or extensions of credit, in permitting the Debtors to use Cash Collateral, in accepting the Initial Approved DIP Budget or any future Supplemental Approved DIP Budget or in taking any other actions permitted by this Final Order or the DIP Loan Documents, neither the DIP Lender nor the Existing Factor shall be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors.

P. Notice. Pursuant to Bankruptcy Rules 2002, 4001(b)(1) and 9014, and the Local Rules of the Bankruptcy Court, notice of the Interim Hearing, this Final Hearing and the relief requested in the Motion has been provided by the Debtors, whether by telecopy, email, overnight courier, or hand delivery, to certain parties in interest including, but not limited to: (i) the Office of the United States Trustee for the District of New Jersey (the "U.S. Trustee"); (ii) those parties listed on the List of Creditors Holding Largest Twenty Unsecured Claims Against the Debtors, as identified in the Petitions; (iii) counsel to the DIP Lender; (iv) counsel to the Existing Factor; (v) the Internal Revenue Service; (vi) the office of the United States Attorney General for the District of New Jersey; (vii) counsel to the Committee; (viii) the U.S. Securities and Exchange Commission; and (ix) all other parties required to receive notice pursuant to the Bankruptcy Rules 2002, 4001 or 9014 or requesting to receive notice prior to the Final Hearing. Under the circumstances, due and sufficient notice and opportunity for a hearing has been given in accordance with the provisions of Sections 363 and 364 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001 and 9014, and any other applicable law, and no other or further notice relating to the Motion, this Final Order or this proceeding is necessary or required.

BASED UPON THE FOREGOING FINDINGS AND CONCLUSIONS, AND UPON THE RECORD MADE BEFORE THIS COURT AT THE HEARINGS ON THE MOTION, AND GOOD AND SUFFICIENT CAUSE APPEARING THEREFOR,

IT IS HEREBY ORDERED:

1. Motion Granted. The Motion is granted on a final basis on the terms of this Final Order. Any objections to the Motion or the relief sought therein that have not been

previously resolved or withdrawn are hereby overruled on their merits. Subject to the terms hereof, this Final Order is valid immediately, binding on all parties-in-interest and fully effective upon its entry. To the extent that there is a contradiction between the terms and provisions of this Final Order and the DIP Loan Documents, the terms and provisions of this Final Order shall control.

2. Authorization to Borrow; DIP Financing; DIP Loan Documents. The Debtors are authorized to enter into and be bound by the DIP Credit Agreement and all other DIP Loan Documents, and to borrow money, incur debt, reimbursement obligations and other obligations, grant Liens, make deposits, provide guaranties and indemnities and perform their respective obligations hereunder and thereunder solely in accordance with, and subject to, the terms and conditions of this Final Order, the DIP Credit Agreement and the other DIP Loan Documents. The Debtors are authorized and directed to comply with and perform all of the terms and conditions contained in the DIP Loan Documents (except as provided herein).

With written consent of the DIP Lender and upon notice to the Existing Factor, the Debtors are authorized to amend, modify or supplement any of the DIP Loan Documents or waive any of the provisions thereof in accordance with their terms, without further order of this Court or notice to any party; provided, however, that notice of any (i) increase in the aggregate amount of the DIP Lender's lending commitments, (ii) increase in the applicable interest rates, other than increases described in the Motion, (iii) shortening of the maturity of the obligations under the DIP Loan Documents or (iv) modification (other than any non-substantive modification) of the financial covenants or events of default shall be provided to the U.S. Trustee and counsel to the

Committee, each of which shall have five (5) days from the date of such notice within which to object in writing to such amendment, modification or supplement, and upon any such timely written objection, such amendment, modification or supplement shall only be permitted pursuant to an order of this Court. All obligations owed to DIP Lender, under or in connection with the DIP Loan Documents, including, without limitation, all Obligations (as such term is defined in the DIP Credit Agreement), loans, advances, other financial accommodations and other indebtedness, obligations and amounts (contingent or otherwise) owing from time to time under or in connection with the DIP Loan Documents, are defined and referred to herein as the "Postpetition Obligations."

Amendments to DIP Credit Agreement. Effective upon entry of this Final Order and without need for further action by the Debtors or the DIP Lender, the DIP Credit Agreement is modified as follows:

(a) The definition of "Agreed Administrative Expense Priorities" set forth in Section 1.01 of the DIP Credit Agreement is amended and restated in its entirety as follows:

> ""Agreed Administrative Expense Priorities" means that administrative expenses with respect to the Borrowers and, with respect to sub-clause (ii) of clause "first", any official committee appointed by the Bankruptcy Court, shall have the following order of priority:
>
> first, (i) amounts payable pursuant to 28 U.S.C. § 1930(a)(6) and any fees due to the clerk of the Bankruptcy Court; (ii) amounts payable in respect of Carve-Out Expenses; provided that the amount entitled to priority under this sub-clause (ii) of this clause first ("Priority Professional Expenses") during any Carve-Out Expense Reduction Period shall not exceed (x) the amount of unpaid Carve-Out Expenses actually incurred on or after the Petition Date and prior to the commencement of the Carve-Out Expense

Reduction Period, plus (y) the amount of Carve-Out Expenses actually incurred during such Carve-Out Expense Reduction Period in an aggregate sum not to exceed the lesser of (A)(x) $50,000, in the case of Carve-Out Expenses for professionals retained by the Borrowers and (y) $25,000, in the case of Carve-Out Expenses for professionals retained by any statutory committee, and (B) the amounts provided for such Carve-Out Expenses in the Budget during the Carve-Out Reduction Period (the "Professional Expense Cap"); provided, however, that (1) during any Carve-Out Expense Reduction Period, any payments actually made in respect of Carve-Out Expenses (other than from fee retainers or advances held by such professionals), shall reduce the Professional Expense Cap on a dollar-for-dollar basis, and (2) for the avoidance of doubt, so long as no Carve-Out Expense Reduction Period shall be continuing, the payment of Carve-Out Expenses shall not reduce the Professional Expense Cap; and (iii) any obligations up to $1,000,000 in the aggregate owed by the Borrowers pursuant to the Borrowers' agreement to indemnify their Chief Restructuring Officer with respect to pending or threatened litigation against him for acts occurring on or after February 16, 2014, including obligations to reimburse reasonable fees and expenses that may be incurred in connection with such pending or threatened litigation;

second, all Obligations in accordance with Section 3.02, and

third, all other allowed administrative expenses."

(b) The definition of "Measurement Date" set forth in Section 1.01 of the DIP Credit Agreement is amended and restated in its entirety as follows:

""Measurement Period" means, as of Saturday of each week, the period from the Petition Date through and including such Saturday."

(c) The definition of "Sale Milestones" set forth in Section 1.01 of the DIP Credit Agreement is amended and restated in its entirety as follows:

""Sale Milestones" means the following milestones with respect to the sale of all or substantially all of the Borrowers' assets or equity interests pursuant to Section 363 of the Bankruptcy Code,

in each case, in a manner satisfactory to the Lender in its sole and absolute discretion:

(a) entry of an order, satisfactory to the Lender in its sole and absolute discretion, approving the Borrowers' retention of an investment banking firm acceptable to the Lender, no later than twenty-five (25) days after the Petition Date;

(b) completion of an offering memorandum, teaser and nondisclosure agreement no later than ten (10) days after the Petition Date;

(c) entry of an order, satisfactory to the Lender in its sole and absolute discretion, approving sale procedures (the "Sale Procedures Order") no later than twenty-one (21) days after the Petition Date;

(d) conduct an auction (the "Auction"), if more than one bona fide offer meeting the conditions established by the Borrowers with the approval of the Lender is received, no later than May 21, 2014 or such later date as may be consented to by the Lender in its sole and absolute discretion;

(e) hold and conclude a hearing to approve the sale (the "Sale Hearing") no later than May 28, 2014;

(f) entry of a final order of the Bankruptcy Court, satisfactory to the Lender in its sole and absolute discretion, approving the sale (the "Sale Order") no later than two (2) Business Days after the Sale Hearing is concluded, or such later date as may be consented to by the Lender in its sole and absolute discretion; and

(g) close the sale no later than two (2) Business Days after entry of the Sale Order, or such later date as may be consented to by the Lender in its sole and absolute discretion."

(d) Section 6.02(u) of the DIP Credit Agreement is hereby amended and restated in its entirety as follows:

"(u) Compliance with Budget. (i) Make any payment or

incur any obligation that is not provided for in the Budget (within the variances and carry-forwards from budgeted amounts permitted by this Agreement), (ii) [intentionally omitted], (iii) make any payment on account of any item in the Budget for any period following the closing of the transactions contemplated by the Stalking Horse APA or (iv) notwithstanding the timing of any such payment as set forth in the Budget, to the extent that the Borrowers are able to obtain credit terms from vendors, pay such vendors more than five (5) days prior to the expiration of such credit terms; provided, however, that the Borrowers may make payments to vendors from time to time as the Borrowers reasonably determine are necessary or desirable to be able to continue to utilize credit extended by or maintain availability with such vendors.

(e) Section 6.03 of the DIP Credit Agreement is hereby amended and restated in its entirety as follows:

"Section 6.03 Financial Covenants. So long as any principal of or interest on any Loan or any other Obligation (whether or not due) shall remain unpaid or any Lender shall have any Revolving Credit Commitment hereunder, each Borrower shall not, unless the Lender shall otherwise consent in writing:

(a) [Intentionally Omitted].

(b) Cash Receipts. Permit the variance between actual cash receipts and the amount set forth therefor in the Budget, other than any variance attributable to the "Rosenthal Receipts (AR/Inv Sale/Hilco)" line item, for any Measurement Period to be more than 20%.

(c) Disbursements. Permit the variance between actual disbursements made with respect to any line item in the Budget in any Measurement Period to exceed the total amount budgeted for such line item for such Measurement Period by more than twenty percent (20%), or permit the total disbursements for all line items in the Budget in any Measurement Period to exceed the total budgeted disbursements for all line items in the Budget for such Measurement Period by more than twenty-five percent (25%); provided, that unused amounts set forth in the Budget for any line item may be carried forward and used to fund such line item in

future weekly budget periods; provided, further, that all disbursements in the Budget for sales Taxes shall be paid not later than the end of week 7 of the Budget."

3. Valid and Binding Obligations. Upon execution and delivery of the DIP Loan Documents, the DIP Loan Documents shall constitute valid and binding obligations of the Debtors, enforceable against the Debtors in accordance with their terms, except as otherwise expressly set forth in this Final Order. Except as otherwise expressly set forth in this Final Order, no obligation, payment, transfer or grant of security under this Final Order or the other DIP Loan Documents shall be stayed, restrained, voidable or recoverable under the Bankruptcy Code or any applicable nonbankruptcy law, or subject to any defense, reduction, setoff, recoupment or counterclaim.

4. Maximum Amount of Borrowing. The maximum aggregate outstanding principal amount of the Postpetition Loans the Debtors may borrow from DIP Lender pursuant to this Final Order and the DIP Loan Documents shall be $7,000,000 as reflected in the Approved DIP Budget, with such cushions as are permitted in the DIP Loan Documents (for the avoidance of doubt, it being understood and agreed that the presence of any "basket" or "carve-out" set forth in any negative covenant contained in Section 6.02 of the DIP Credit Agreement shall not be, and shall not be deemed to be, an approval or acceptance by the DIP Lender of any Line Item in any Approved DIP Budget, or portion thereof, related to cash expenditures of the type described in such "basket" or "carve-out," which shall remain subject to the approval rights of the DIP Lender with respect to each Approved DIP Budget). For avoidance of doubt, except as otherwise provided in this Final Order, any "basket" or "carve-out" agreed to between the Debtors and the

DIP Lender, or which may be agreed to in the future, shall not affect the Existing Factor Lien Claims.

5. Interest; Fees; Professional Expenses. The rate of interest to be charged for the Postpetition Loan and other extensions of credit to the Debtors under the DIP Credit Agreement shall be the rates set forth in the DIP Credit Agreement and shall be payable at the times set forth in the DIP Credit Agreement. Any and all fees paid or required to be paid in connection with the DIP Loan Documents, including, without limitation, all title premiums and recording fees and expenses in connection with the perfection or recordation of and title insurance relating to the Postpetition Liens, are hereby authorized and shall be paid to the extent disclosed in the Motion or contained in the DIP Loan Documents, and all reimbursable expenses set forth in the DIP Credit Agreement may be paid by the Debtors (or charged to the loan account) in accordance with the DIP Credit Agreement, each with the same priority as the Postpetition Obligations and without further notice to or order of the Court and without the need or requirement to file any motion or fee application. Notwithstanding any other provision of this Final Order (including, but not limited to, paragraph 12), any other order of this Court or any other agreement, the Debtors shall pay the fees, costs and expenses of the DIP Lender as set forth in the DIP Credit Agreement.

6. Cash Management System. The Debtors may use Cash Collateral (including that of the Existing Factor) from and including the Closing Date to and including the earlier of May 17, 2014 and the Final Maturity Date (as defined below), subject to compliance by the Debtors with the covenants set forth in Section 6 of the DIP Credit Agreement and subject to

paragraph 7 below and further Order of the Court. The Debtors' use of Cash Collateral shall be governed by the terms of this Final Order and Section 7.02 of the DIP Credit Agreement notwithstanding any provision under any blocked account agreement, deposit account control agreement or other similar type of agreement ("Control Agreements") but subject to the terms of the Existing Factoring Agreements and prepetition practices. With respect to any dispute between the provisions of any Control Agreements and this Final Order, the provisions of this Final Order (through, to and including the Final Maturity Date) shall govern and this Final Order shall override any limitations in such Control Agreements with respect to the use of Cash Collateral (through to and including the Termination Date). Notwithstanding the Existing Factoring Agreements or any Control Agreements, (a) the automatic sweep from the MEE Direct Corporate Account to the Existing Factor shall immediately cease and the Debtors shall have, subject to the terms of this Final Order, direct use of such funds and (b) subject to the Existing Factor's receipt of good funds pursuant to paragraph 8(d)(i) of this Final Order, the Debtors shall be permitted to use as Cash Collateral the proceeds of any payment received by Hilco Merchant Resources, LLC. The Existing Factor has released to the DIP Lender $5 million of the Suchman Cash Dominion pledge, to be advanced to the Debtors in connection with the DIP Financing.

7. Use of Proceeds and Cash Collateral. Upon the occurrence of the Closing Date, proceeds of the DIP Facility and Cash Collateral, pursuant to section 363(c)(2) of the Bankruptcy Code, may be used by the Debtors to (i) pay fees and expenses associated with the DIP Credit Agreement, (ii) fund the ongoing postpetition working capital needs and other general corporate purposes of the Debtors, (iii) pay expenses permitted by the Carve-Out, and (iv) fund

the payment of such prepetition and other out of the ordinary course of business expenses of the Debtors as may be permitted under the DIP Credit Agreement and approved by the Bankruptcy Court, including, without limitation, permitted capital expenditures, priority employee wage claims, sales tax liability, and expenses associated with the assumption of executory contracts and unexpired leases, in each case in amounts not to exceed in any weekly period the amounts in the Approved DIP Budget (subject to increase within the cushions described in Sections 6.02(w) and 6.03 of the DIP Credit Agreement (for the avoidance of doubt, it being understood and agreed that the presence of any "basket" or "carve-out" set forth in any negative covenant contained in Section 6.02 of the DIP Credit Agreement shall not be, and shall not be deemed to be, an approval or acceptance by the DIP Lender of any Line Item in any Approved DIP Budget, or portion thereof, related to cash expenditures of the type described in such "basket" or "carve-out," which shall remain subject to the approval rights of the DIP Lender with respect to each Approved DIP Budget, as set forth herein)). The proceeds of the DIP Financing and Cash Collateral may not be used: (a) for the payment of interest and principal with respect to any debt, including, without limitation, the Existing Factoring Facility; (b) to finance in any way any adversary action, suit, arbitration, proceeding, application, motion or other litigation of any type relating to or in connection with the Prepetition Credit Agreements or any of the loan documents or instruments entered into in connection therewith, including, without limitation, any challenges to the Existing WF Credit Facility, or the validity, perfection, priority, or enforceability of any lien securing such claims or any payment made thereunder; (c) to finance in any way any action, suit, arbitration, proceeding, application, motion or other litigation of any type adverse to the interests of the

Existing Factor, the Existing WF Facility Agent, the Existing WF Facility Lenders, Suchman, LLC or the DIP Lender or their rights and remedies under the Existing Factor Agreement, the DIP Credit Agreement, the other DIP Loan Documents, the Existing WF Credit Facility, or this Final Order; (d) to make any distribution under a plan of reorganization in any Chapter 11 Case; and (e) to make any payment (in the aggregate, together with all other such payments) in excess of Fifty Thousand Dollars ($50,000) in settlement of any claim, action or proceeding, before any court, arbitrator or other governmental body without the prior written consent of the DIP Lender and the Existing Factor; provided that nothing in this subclause (e) shall prevent the Debtors from assuming or curing executory contracts and unexpired leases subject to an order of the Bankruptcy Court if otherwise permitted by the DIP Credit Agreement.

The Debtors shall provide the DIP Lender and the Existing Factor, with a copy to counsel for the DIP Lender and the Existing Factor, (A) a weekly report of the Debtors' cash receipts, (B) a weekly report of the Debtors' cash disbursements for each of the Debtors' expense categories, (C) a weekly report concerning the review and comparison of the Debtors' use of Cash Collateral, including collections, revenues and expenses during the week and the amount of variance, if any, from the corresponding amounts set forth in the DIP Budget, (D) a copy of each monthly operating report filed by the Debtors in these Chapter 11 Cases as required by the Court, the U.S. Trustee or applicable law. The weekly reports shall encompass the period of each week, ending on the close of business on Saturday, for every week until the Termination Date (as defined herein), and shall be delivered to the DIP Lender and Existing Factor, by 5:00 p.m., Eastern time, on Wednesday of the following week.

8. Adequate Protection for Existing Factor. The Existing Factor is hereby provided with the following forms of adequate protection, each of which shall be a "Postpetition Obligation" as defined herein (which the DIP Lender acknowledges as acceptable to it) pursuant to sections 361, 363(c), 363(e) and 364(d) of the Bankruptcy Code for any diminution in value of its interest in the Pre-Petition Collateral (including Cash Collateral) for any reason resulting from the Debtor's use, sale or lease of such Collateral (collectively, and solely to the extent of any such diminution in value, the "Diminution in Value"):

(a) **Post-Petition Replacement Liens**. As adequate protection for any Diminution in Value and as an inducement to the Existing Factor to permit the Debtors' use of the Cash Collateral as provided in this Final Order, the Debtors hereby grant, assign and pledge to the Existing Factor, post-petition replacement security interests in and liens (the "Post-Petition Replacement Liens") on all of the Collateral whether acquired before or after the Petition Date, whether existing or hereafter acquired, created or arising, and all products and proceeds thereof, including all accessions thereto, substitutions and replacements therefor, wherever located, including accounts receivable. Upon entry of this Final Order, the Liens and security interests granted hereunder to the Existing Factor as adequate protection shall be valid, perfected and enforceable against the Collateral without further filing or recording of any document or instrument or the taking of any further actions.

(b) **Adequate Protection, Super-Priority Claim**. The Existing Factor is hereby granted, to the extent of any Diminution in Value, a super-priority administrative claim (the "Adequate Protection Super-Priority Claim") that shall have priority in the Chapter 11 Cases

under and in accordance with the provisions of sections 364(c)(1), 503(b) and 507(b) of the Bankruptcy Code and otherwise over all administrative expense claims and unsecured claims against the Debtors and their estates, now existing or hereafter arising, of any kind or nature whatsoever including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 503(a), 503(b), 506(c) (upon entry of this Final Order), 507(a), 507(b), 546(c), 546(d), 726(b), 1113, and 1114 of the Bankruptcy Code.

(c) **Payment of Fees, Costs and Expenses**. The Existing Factor shall be entitled to have the Debtors pay all reasonable out-of-pocket fees, costs and expenses incurred by the Existing Factor with respect to the Pre-Petition Obligations (including, without limitation, the reasonable fees and disbursements of counsel and other professional advisers advising the Existing Factor, including McElroy, Deutsch, Mulvaney & Carpenter, LLP, and any other professionals retained by the Existing Factor, including any consultants) and in connection with the protection and enforcement of the rights and interests of the Existing Factor, with respect to such fees, costs, disbursements and expenses incurred on or after the Petition Date, within five (5) business days of presentation (with copies to the United States Trustee and the DIP Lender) of an invoice therefor (which invoice may be redacted to remove privileged or case sensitive material) without the requirement of prior Court approval or compliance with guidelines applicable to retained professionals.

(d) **Existing Factor Lien Claims Paydown Milestones**: The Existing Factor's consent for the Debtors to use its Cash Collateral herein is expressly conditioned upon receipt of payments by the Debtors by the deadlines set forth below reducing the total

indebtedness of the Existing Factor Lien Claims to $4 million. If the Debtors fail to make any payment by the deadline set forth herein, unless the Existing Factor agrees in writing otherwise, the Debtors' authority to use the Existing Factor's cash collateral shall be immediately terminated, without requirement of any notice, and the Existing Factor may immediately re-commence the automatic sweep from the MEE Corporate Account to the Existing Factor under the Existing Factor Agreements. The Debtors' authorization to continue using the Existing Factor's Cash Collateral shall only be reinstated upon issuance of any such missed payment or upon further Order of this Court. The following paydown milestones are hereby established:

(i) Within two (2) business days following entry of the Interim Order, to the extent not previously received, the Existing Factor shall receive an initial paydown payment of $5,300,000 in good funds, which payment was made on April [3], 2014.

(ii) On or before April 12, 2014, the Existing Factor shall receive paydown payments such that the total indebtedness under the Existing Factor Lien Claims shall be reduced to not more than $5.8 million, which payments were made on or before April 12, 2014.

(iii) On or before April 26, 2014, the Existing Factor shall receive paydown payments such that the total indebtedness under the Existing Factor Lien Claims shall be reduced to not more than $4.5 million.

(iv) On or before May 10, 2014, the Existing factor shall receive paydown payments such that the total indebtedness under the Existing Factor Lien Claims shall be reduced to not more than $4 million.

At all times after the total indebtedness under the Existing Factor Lien Claims has been reduced to $4 million or less, and until such time as the obligations under the Existing Factor Agreements are satisfied in full or assigned to and assumed in connection with the Suchman Sale (as defined below), (A) the Debtors shall maintain a collateral base securing such indebtedness of not less than $1 million in cash collateral (i.e., the Suchman Cash Dominion pledge) and $8 million in inventory and (B) the collection or receipt of any receivables or other sums due to the Debtors by the Existing Factor shall be remitted to the DIP Lender.

(e) **Reservation of Rights**. The Existing Factor reserves the right to request additional or further adequate protection of its interests in the Pre-Petition Collateral. This Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair (a) any of the rights of the Existing Factor under the Bankruptcy Code or under non-bankruptcy law, including, without limitation, the right of the Existing Factor to seek (i) the appointment of a trustee under section 1104 of the Bankruptcy Code, (ii) relief from the automatic stay under section 362(d) of the Bankruptcy Code, (iii) dismissal or conversion of the Chapter 11 Cases under section 1112 of the Bankruptcy Code, (iv) to terminate the period during which the Debtors have the exclusive right to propose and/or obtain confirmation of a plan of reorganization pursuant to section 1121 of the Bankruptcy Code or (v) any other relief that the Existing Factor, in its sole discretion, may deem appropriate.

9. Cash Collateral Events of Default: The post-petition occurrence of any of the following shall constitute an Event of Default with respect to the Debtors' authorization to use Cash Collateral of the Existing Factor and/or DIP Lender, as applicable:

(a) Violation of any of the terms of this Final Order;

(b) The occurrence of any default, Event of Default or violation of any of the terms of the DIP Credit Agreement and/or any of the DIP Loan Documents;

(c) Any Debtor makes any distributions or payments to (A) any direct or indirect holder (at any level of the ownership structure) of any of such Debtor's capital stock or any person that holds a partnership or membership interest in any Debtor or (B) any principals, shareholders, members and/or partners of any Debtor, provided, however, that (i) distributions to Seth Gerszberg in the same aggregate monthly amount as the Debtors made prepetition and (ii) payments to the DIP Lender pursuant to this Final Order shall not constitute an Event of Default;

(d) The Debtors' failure to comply with the reporting requirements contained in this Final Order within two (2) business days after receiving notice of such failure from the Existing Factor and/or the DIP Lender;

(e) Any Debtor shall fail to comply in any material respect with the DIP Budget (after accounting for any cushion permitted under the DIP Credit Facility);

(f) The failure of the Debtors to reimburse the Existing Factor or the DIP Lender for all professional fees, including, but not limited to, attorneys' fees, costs and expenses and consulting fees and related costs;

(g) The failure by the Debtors to pay the Existing Factor Lien Claims from the net proceeds of Sale to the Existing Factor contemporaneously with the closing of the Sale (except with respect to a sale to Suchman, LLC currently contemplated pursuant to Section 363 of the Bankruptcy Code (the "Suchman Sale"), in which case the Existing Factor Lien Claims shall be assumed);

(h) The appointment of a Trustee pursuant to § 1104(a)(1) or (a)(2) of the Bankruptcy Code in any of the Chapter 11 Cases;

(i) The appointment of an examiner with expanded powers, other than a fee examiner;

(j) Dismissal of any of the Chapter 11 Cases or any subsequent chapter 7 case without the express written consent of the Existing Factor and DIP Lender, in their sole and absolute discretion;

(k) The entry of any order materially modifying, reversing, revoking, staying, rescinding, vacating, or amending this Final Order without the express prior written consent of the Existing Factor and the DIP Lender, in their sole and absolute discretion;

(l) Default in the payment of any amount owed by the Debtors to the Existing Factor and/or DIP Lender as and when due hereunder;

(m) The rendering against any Debtor of an arbitration award, a final judgment, decree or order, in each case requiring the post-petition payment of money in excess of $100,000 in the aggregate or a post-petition lien on any of the Collateral, and the continuance of such arbitration award, judgment, decree or order unsatisfied and in effect for any period of thirty (30) consecutive days;

(n) The filing by any Debtor of any motion or proceeding that could reasonably be expected to result in material impairment of the Existing Factor's or DIP Lender's rights under this Final Order, including any motion to surcharge the Existing Factor and/or DIP Lender, the Existing Factor Lien Claims or the DIP Loans, or the Collateral under section 506(c) of the Bankruptcy Code or otherwise;

(o) The filing of a motion by any Debtor for entry of an order staying or otherwise prohibiting the prosecution of any enforcement action or any motion or pleading seeking to challenge the Existing Factor's or DIP Lender's Liens or otherwise commencing any cause of action against the Existing Factor or the DIP Lender;

(p) Any Debtor (except following the Existing Factor and the DIP Lender's prior written request or with the Existing Factor's and the DIP Lender's express prior written consent) shall file a motion with the Bankruptcy Court or any other court with jurisdiction in the matter seeking an order, or an order is otherwise entered, modifying, reversing, revoking, staying, rescinding, vacating, or amending this Final Order (no consent shall be implied from any other action, inaction, or acquiescence of the Existing Factor or the DIP Lender);

(q) Any Debtor shall file, or any other person shall obtain Bankruptcy Court approval of a disclosure statement for a plan of reorganization that seeks to treat the Claims of the Existing Factor and the DIP Lender in a manner that is materially inconsistent with the provisions of this Final Order;

(r) This Final Order shall cease to be in full force and effect at any time after the date of entry thereof by the Bankruptcy Court;

(s) The Existing Factor or the DIP Lender believe in good faith that the prospect of payment in full of any part of the Obligations to the extent required hereunder, or that full performance by the Debtors hereunder, is impaired, or that there has occurred any Material Adverse Effect in the business or financial condition of any Debtor, provided that the Court shall have power to determine whether such belief is objectively reasonable upon motion by any party in interest, filed within five (5) business days of the Existing Factor and/or the DIP Lender's filing and service of notice, rendering any non-reasonable belief ineffective;

(t) If any creditor of any Debtor receives any adequate protection payment, other than as provided herein;

(u) A Change in Control occurs with respect to any Debtor;

(v) Any material impairment of the Collateral or the termination of any state or federal license or authorization or material contract;

(w) Any misrepresentation of a material fact made after the Petition Date by any Debtor or its agents to the Existing Factor and/or to the DIP Lender about the financial condition of such Debtor, the nature, extent, location or quality of any Collateral, or the disposition or use of any Collateral, including Cash Collateral;

(x) A material default by any Debtor in reporting financial information as and when required under this Final Order;

(y) Except as set forth in paragraph 13 of this Final Order, the sale of any material portion of any Debtor's assets outside the ordinary course of business without the prior written consent of the Existing Factor and the DIP Lender, in their sole discretion (it being understood that the Suchman Sale shall not be an Event of Default or a sale that requires the prior written consent of the Existing Factor and the DIP Lender); or

(z) Any Debtor fails to comply with any of the covenants, conditions and agreements contained herein or in any other agreement, document or instrument at any time executed by such Debtor in connection herewith.

(aa) The failure of the Debtors to comply with any of the paydown milestones, or to maintain the collateral base securing the indebtedness under the Existing Factor Lien Claims as provided in paragraph 8(d) of this Final Order.

10. Limitations on the Use of Cash Collateral: From and after the date of entry of this Final Order, the proceeds of the Collateral and Cash Collateral shall not, directly or indirectly, be used to pay any expenses, payments, and/or disbursements of Debtors or incurred by Debtors except for those items which are then due, expressly permitted under the Approved DIP Budget or this Final Order, and in such amounts as clearly identified in the Approved DIP Budget and/or this Final Order (including compensation and reimbursement of expenses allowed by this Court to Court-approved professional persons to the extent that such fees and expenses are in accordance with the line items for such professionals in the Approved DIP Budget (if any)). In no event shall any costs or expenses of administration be imposed upon the Existing Factor or any of its Collateral pursuant to sections 105(a), 506(c) and/or 552 of the Bankruptcy Code or otherwise without the prior written consent of the Existing Factor, and no such consent shall be implied from any action, inaction or acquiescence by the Existing Factor.

11. Security for the DIP Lender and under the Existing WF Credit Facility.

(a) Postpetition Liens. As security for the Obligations, pursuant to Sections 364(c)(2), (c)(3) and (d) of the Bankruptcy Code for the sole benefit of the DIP Lender, all revolving credit advances and all other Obligations of the Debtors under the DIP Credit

Agreement and the other DIP Loan Documents shall be secured, until the Final Maturity Date, by valid, binding, enforceable, first priority and perfected Postpetition Liens in the DIP Collateral (which includes, without limitation, the proceeds of any avoidance actions under Chapter 5 of the Bankruptcy Code), subject only to (i) the Carve-Out, and (ii) Liens of the Existing Factor, it being agreed, however, that the DIP Lender shall have first priority and perfected Postpetition Liens senior to the Liens of the Existing Factor in the Debtors' leasehold interests in real estate (the exceptions in subsections (i) and (ii) are referred to herein collectively as, the "Exceptions"). For clarification purposes, it is understood that the Postpetition Liens are not intended to prime any of the first priority liens of the Existing Factor but are priming the Liens granted pursuant to the Existing WF Credit Facility.

(b) In consideration for the consent to subordinate the Liens granted pursuant to the Existing WF Credit Facility to the Liens of the DIP Lender, and the agreement for the Debtors to use its Cash Collateral, (a) the Liens granted pursuant to the Existing WF Credit Facility shall be deemed valid, enforceable, perfected, and secured third priority Liens and (b) as adequate protection for any Diminution in Value, the Debtors hereby grant, assign and pledge to the Existing WF Facility Agent and the Existing WF Facility Lenders, Post-Petition Replacement Liens on all of the Collateral whether acquired before or after the Petition Date, whether existing or hereafter acquired, created or arising, and all products and proceeds thereof, including all accessions thereto, substitutions and replacements therefor, wherever located, including accounts receivable. Upon entry of this Final Order, the Liens and security interests granted to the Existing WF Facility Agent and the Existing WF Lenders as adequate protection shall be valid, perfected

and enforceable against the Collateral without further filing or recording of any document or instrument or the taking of any further action and subject only to the Liens (including the Post-Petition Replacement Liens) granted to the Existing Factor and the Postpetition Liens granted to the DIP Lender.

Except as expressly set forth in this Final Order, the foregoing Liens referenced in this Paragraph 11 shall at all times be senior, and the Debtors shall not seek to subordinate such Liens, to (i) the rights of the Debtors and any successor trustee or estate representative in the Chapter 11 Cases and any subsequent proceedings under the Bankruptcy Code, including, without limitation, any Chapter 7 proceedings if any of the Chapter 11 Cases are converted to a case under Chapter 7 of the Bankruptcy Code (collectively, the "Successor Case"), (ii) any intercompany claim of any Debtor or any subsidiary or affiliate of any Debtor, (iii) any Lien of any creditor or other party in interest in these Chapter 11 Cases or any Successor Case, (iv) any Lien which is avoided or otherwise preserved for the benefit of any Debtors' Estates under Section 551 or any other provision of the Bankruptcy Code, and (v) any Liens granted on or after the Petition Date to provide adequate protection to any party except the Existing Factor, but only up to the amount of the outstanding Obligations to the Existing Factor as of the Petition Date plus such amounts necessary to reimburse the Existing Factor for its reasonable professional fees herein. The term "DIP Collateral" shall include any and all prepetition and postpetition assets and properties (which terms shall for the purposes of this Final Order have the broadest meanings possible including, without limitation, tangible, intangible, real, personal and mixed) of each of the Debtors of any kind or nature, whether now existing, newly acquired or arising or hereafter

acquired or arising, and wherever located, including, without limitation, the "Prepetition Collateral" (which shall include all collateral in connection with the Existing Factoring Agreements, Existing Factoring Facility, and the Existing WF Credit Facility and any other collateral provided under any Prepetition Credit Agreements that existed as of the Petition Date and all prepetition and, subject to Section 552 of the Bankruptcy Code, and postpetition proceeds, products, offspring, rents and profits thereof), and all accounts, accounts receivable, chattel paper, inventory, machinery, equipment, contract rights, goods, fixtures, intellectual property and other general intangibles, intercompany notes, investment property, owned and leased real property, causes of action, cash, deposit accounts, securities, securities accounts and all proceeds (including, without limitation, proceeds of any avoidance actions under Chapter 5 of the Bankruptcy Code but not the avoidance actions themselves) and products of all of the foregoing.[2]

(c) Superpriority Claims. All Postpetition Obligations, subject only to the Carve-Out, hereby constitute under Section 364(c)(1) of the Bankruptcy Code allowed superpriority administrative expense claims against each of the Debtors (jointly and severally) having priority over all administrative expenses of the kind specified in, or ordered pursuant to, any provision of the Bankruptcy Code, including, without limitation, those specified in, or ordered pursuant to, Sections 105, 326, 328, 330, 503(b), 506(c), 507(a), 507(b), 546(c), and, to the extent permitted by law, Sections 726 and 1114 or any other provision of the Bankruptcy

[2] For the avoidance of doubt, any Liens granted under this Final Order, including, without limitation, the Post-Petition Replacement Liens and Postpetition Liens, shall not be direct Liens on the Debtors' leases of real property unless such Liens are permitted pursuant to the underlying lease documents but such Liens shall be fully perfected Liens on any and all proceeds of such leases (without the need for the DIP Lender, the Existing Factor or the Existing WF Facility Lenders to take any further actions in connection therewith). Nothing contained herein shall be construed as prejudicing any landlord's or the Debtors' rights to assert or dispute the termination of any lease of real property.

Code or otherwise, and shall at all times be senior to the rights of the Debtors, the Debtors' Estates and any successor trustee or estate representative in the Chapter 11 Cases or any Successor Case (the "Superpriority Claims"). Except as set forth in the preceding sentence and except for the Carve-Out, no cost or expense of administration under any provision of the Bankruptcy Code, including, but not limited to, Sections 105, 326, 328, 330, 331, 363, 364, 503, 506, 507, 546, 726, 1113 or 1114 or any other provision of the Bankruptcy Code or otherwise (whether incurred in these Chapter 11 Cases and any Successor Case), shall be senior to, equal to, or *pari passu* with, the Superpriority Claims. Notwithstanding the foregoing, any superpriority administrative expense claims granted hereunder shall be subordinate to the Existing Factor Lien Claims.

(d) Restrictions on Liens. Except for the Exceptions, the Postpetition Liens shall not be (i) subject to any Lien that is avoided and preserved for the benefit of the Debtors' Estates under Section 551 of the Bankruptcy Code (including, for the avoidance of doubt, as a result of the avoidance, disallowance, termination or setting aside, by this Court or otherwise, of any obligations under the Prepetition Credit Agreements), or (ii) subordinated to or made *pari passu* with any other Lien under Section 364(d) of the Bankruptcy Code or otherwise. Except as expressly set forth herein with respect to the Carve-Out and the Existing Factor Lien Claims, no claim or Lien having a priority superior to or *pari passu* with those granted by this Final Order with respect to the Obligations shall be granted or allowed until the indefeasible payment in full in cash and satisfaction in the manner provided in the Postpetition Loan Documents of the Obligations.

12. Professional Fees; Carve-Out. As used in this Final Order, "Carve-Out" means claims relating to the Agreed Administrative Expense Priorities defined in the DIP Credit Agreement subject to the Carve Out Notice. Notwithstanding anything set forth herein, the Carve-Out shall not include any other claims that are or may be senior to or *pari passu* with any of the Carve-Out or any professional fees and expenses of a Chapter 7 trustee and, provided, further, that Carve-Out shall not include any fees or disbursements (A) arising after the conversion of either or both of the Chapter 11 Cases to a case under Chapter 7 of the Bankruptcy Code, or (B) related to the investigation of, preparation for, or commencement or prosecution of, any claims or proceedings against the Existing Factor, Suchman, LLC (in its capacity as the DIP Lender and as successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility), the Existing WF Credit Agent or the Existing WF Credit Lenders or in any way relating to the Existing Factoring Agreement, the Existing WF Credit Facility or their respective claims or Liens whether under the DIP Credit Agreement or any other DIP Loan Document or any of the Prepetition Credit Agreements, or instruments entered into in connection with the foregoing other than fees or disbursements of the Committee in connection with such an investigation in an amount not to exceed $25,000. Any payment or reimbursement made either directly by the DIP Lender at any time, or by or on behalf of the Debtors on or after the occurrence of an Event of Default or the Final Maturity Date shall permanently reduce the Carve-Out Cap on a dollar-for-dollar basis. The DIP Lender's obligation to fund or otherwise pay any fees or expenses under the Carve-Out shall be added to and made a part of the Postpetition Obligations, secured by the Postpetition Collateral, and entitle the DIP Lender to all of the rights,

claims, liens, priorities and protections under this Final Order, the DIP Loan Documents, the Bankruptcy Code or applicable law. For avoidance of doubt, the Existing Factor Lien Claims shall be subordinate and subject to the Carve-Out, provided that any claims of the Debtors' Chief Restructuring Officer included within the Carve-Out shall be subordinate and subject to the Existing Factor Liens. Payment of any fees or expenses under the Carve-Out, whether by or on behalf of the DIP Lender or the Debtors, shall not and shall not be deemed to reduce the Obligations, and shall not and shall not be deemed to subordinate any of the DIP Lender's liens and security interests in the Postpetition Collateral or their Superpriority Claims to any junior pre- or postpetition lien, interest or claim in favor of any other party. Except as otherwise provided herein with respect to the Carve-Out and the reasonable professional fees of the Existing Factor (which shall, for the avoidance of doubt, include budgeted professional fees and expenses), the DIP Lender shall not, under any circumstance, be responsible for the direct payment or reimbursement of any fees or disbursements of any professionals incurred in connection with the Chapter 11 Cases under any chapter of the Bankruptcy Code, and nothing in this Final Order shall be construed to obligate the DIP Lender in any way, to pay compensation to or to reimburse expenses of any professional, or to ensure that the Debtors have sufficient funds to pay such compensation or reimbursement.

13. Asset Dispositions. Except with respect to a Suchman Sale, the Debtors shall immediately pay, or cause to be paid to the Existing Factor for the Existing Factor Lien Claims and, after payment in full thereof, to the DIP Lender for application to the Postpetition Obligations, to the extent required by, and in the order set forth in, the DIP Credit Agreement, the

required portion of the proceeds of any sale, lease or other disposition of any DIP Collateral outside of the ordinary course of business and shall comply with all other provisions in the DIP Loan Documents and this Final Order in connection with any such sale, lease or other disposition. Except to the extent otherwise expressly provided in the DIP Loan Documents, the Debtors shall not sell or otherwise dispose of any DIP Collateral outside the ordinary course of business without the prior written consent of the DIP Lenders (unless permitted in the DIP Credit Agreement) and an order of the Court after notice and a hearing. As provided in the DIP Credit Agreement, the Debtors and the DIP Lender shall enter into a Stalking Horse APA for the sale of substantially all of the Debtors' assets to Suchman, LLC. The DIP Lender and Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders are hereby granted the right to credit bid the entirety of each of their Claims relating to the DIP Credit Agreement and the WF Credit Facility (respectively and collectively) in connection with the Stalking Horse APA. The rights of the DIP Lender and Suchman, LLC to credit bid all or any portion of the obligations under the DIP Credit Agreement or the obligations under the Existing WF Credit Facility shall be preserved through the closing of such sale.

14. Further Assurances; Indemnities. On notice to the Existing Factor before execution and delivery, the Debtors shall execute and deliver to the DIP Lender all such agreements, financing statements, instruments and other documents as the DIP Lender may reasonably request to evidence, confirm, validate or perfect the Liens granted pursuant hereto, and shall provide copies of all such executed and delivered documents to counsel for the Existing Factor. Further, the Debtors are authorized and directed to do and perform all acts, to make,

execute and deliver all instruments and documents (including, without limitation, the execution of additional security agreements, pledge agreements, control agreements, mortgages and financing statements), and shall pay fees, costs and expenses that may be required or necessary for the Debtors' performance under the DIP Loan Documents, including, without limitation, (i) the execution of the DIP Loan Documents, and (ii) the payment of the fees, costs and other expenses described in the DIP Loan Documents as such become due. None of the reasonable attorneys', financial advisors' and accountants' fees and disbursements incurred by the Existing Factor or the DIP Lender and reimbursable by the Debtors shall be subject to the approval of this Court or the U.S. Trustee guidelines, and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with this Court; provided however, that the DIP Lender and the Existing Factor shall provide notice to the Debtors, the Office of the United States Trustee, and any Committee of the amount of fees it intends to pay its professionals and such notice parties shall have five (5) business days to object to such payment and shall set the matter for hearing within five (5) business days of such objection if the Existing Factor or DIP Lender, as applicable, and the objecting party cannot resolve the objection. In addition, the Debtors are hereby authorized and directed to indemnify the DIP Lender against any liability arising in connection with the DIP Loan Documents to the extent provided in the DIP Loan Documents. All such fees, expenses and indemnities of the DIP Lender shall constitute Postpetition Obligations and shall be secured by the Postpetition Liens and afforded all of the priorities and protections afforded to the Postpetition Obligations under this Final Order and the other DIP Loan Documents.

15. Perfection of Liens. All Postpetition Liens on or in the DIP Collateral granted by this Final Order and the DIP Loan Documents shall be, and they hereby are, deemed duly perfected and recorded under all applicable federal or state or other laws as of the date hereof, and no notice, filing, mortgage recordation, possession, further order, or other act, shall be required to effect such perfection; provided, however, that notwithstanding the provisions of Section 362 of the Bankruptcy Code, (i) the DIP Lender may, at its sole option, file or record or cause the Debtors to execute, file or record, at the Debtors' expense, such UCC financing statements, notices of Liens and security interests, mortgages and other similar documents or obtain landlord or warehousemen Lien waivers or other third party consents as such agent may require, and (ii) the DIP Lender may, at its sole discretion, require the Debtors to deliver to such agent any chattel paper, instruments or securities evidencing or constituting any DIP Collateral, and the Debtors are directed to cooperate and comply therewith. If the DIP Lender, in its sole discretion, shall elect for any reason to cause to be obtained any landlord or warehousemen Lien waivers or other third party consents or cause to be filed or recorded any such notices, financing statements, mortgages or other documents with respect to such Liens, or if the DIP Lender, in its sole discretion, shall elect to take possession of any DIP Collateral, all such landlord or warehousemen Lien waivers or other third party consents, financing statements or similar documents or taking possession shall be deemed to have been filed or recorded or taken in these Chapter 11 Cases as of the Petition Date but with the priorities as set forth herein. Subject to Paragraph 13 below, neither the granting of the Liens in the DIP Collateral pursuant to this Final Order nor the exercise of any rights or remedies in connection therewith will result in any breach,

violation or infringement of (i) any trademark, copyright or other intellectual property right of the Debtors or any third party, or (ii) any contract to which the Debtors or any of their properties are subject. In the event the DIP Lender elects to direct the Debtor to execute, file or record any financing statement, notice, mortgage or similar document, or requires the Debtor to deliver any chattel paper, instrument or security, or takes any other action contemplated in this paragraph, notice shall first be given to the Existing Factor and the Debtors shall only take such actions if the rights and first-priority status of the Existing Factor Lien Claims are clearly noted and preserved.

16. Default Under Other Documents. The DIP Lender and the Existing Factor shall have all rights and remedies with respect to the Debtors, the use of Cash Collateral and the Postpetition Liens and claims granted herein and in the DIP Loan Documents as are set forth in this Final Order. Notwithstanding anything to the contrary contained in any prepetition or postpetition agreement, contract, document, note or instrument to which any Debtor is a party or under which any Debtor is obligated, except as otherwise provided herein, any provision that restricts, limits or impairs in any way any Debtor from granting the DIP Lender Liens or any other Postpetition Liens authorized herein upon any of its assets or properties or otherwise entering into and complying with all of the terms, conditions and provisions of this Final Order and the DIP Loan Documents shall be unenforceable against such Debtor, and therefore, shall not adversely affect the validity, priority or enforceability of the Postpetition Liens, claims, rights, priorities and/or protections granted to such parties pursuant to this Final Order.

17. Waiver of DIP Rights; 506(c) Waiver. Each of the Debtors and their Estates irrevocably waives, and any party in interest acting by, through or on behalf of the

Debtors or the Estates, are barred from asserting or exercising, any right, (a) without the prior written consent of the DIP Lenders, the Existing Factor, and Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders; or (b) without prior payment and satisfaction in full of the Existing Factor Lien Claims, the Postpetition Obligations in accordance with the DIP Credit Agreement, and the Existing WF Credit Facility: (i) to grant or impose, or request that the Court grant or impose, under Section 364 of the Bankruptcy Code or otherwise, Liens on any DIP Collateral or Cash Collateral, equal or superior to the DIP Lender's Liens on such DIP Collateral; (ii) to use Cash Collateral (other than as provided in this Final Order); (iii) to return any of its Inventory to any of its creditors for application against any prepetition indebtedness under Section 546(h) of the Bankruptcy Code or allow any creditor to take any setoff or recoupment against any of its prepetition indebtedness based upon any such return pursuant to Section 553(b)(1) of the Bankruptcy Code or otherwise if, after giving effect to any such agreement, setoff or recoupment, the aggregate amount of prepetition indebtedness subject to all such agreements, setoffs and recoupments since the Petition Date would exceed $50,000; or (iv) to modify or affect any rights granted under this Final Order, the DIP Credit Agreement or the other DIP Loan Documents by any plan of reorganization confirmed in these Chapter 11 Cases or any order entered in these Chapter 11 Cases. In consideration of the Existing Factor's, the DIP Lender's, and Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders' undertakings in and pursuant to this Final Order and the consideration provided by the Existing Factor, the DIP Lender, and Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders, and, subject to

the terms and conditions of the Final Order, other than as provided for in the Carve-Out and the Exceptions, no costs or expenses of administration or other charge, Lien, assessment or claim incurred at any time (including, without limitation, any expenses set forth in the Approved DIP Budget) by the Debtors or any other person or entity shall under any existing or hereafter occurring circumstances be imposed against the DIP Lender, Suchman, LLC, the Existing WF Facility Agent, the Existing WF Facility Lender, the Existing Factor under the Existing Factoring Agreement for the Existing Factoring Facility, their claims, or their collateral under Section 506(c) of the Bankruptcy Code or otherwise, and it is expressly understood by all parties that in making all such undertakings and proceeding in compliance with this Final Order, the DIP Lender, Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders, and the Existing Factor have relied on the foregoing provisions of this sentence. Nothing in this Final Order shall constitute the consent by the DIP Lender, Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders, the Existing WF Facility Agent, the Existing WF Facility Lender, and the Existing Factor to the imposition of any costs or expense of administration or other charge, Lien, assessment or claim (including, without limitation, any amounts set forth in the Approved DIP Budget) against the DIP Lender, Suchman, LLC, the Existing WF Facility Agent, the Existing WF Facility Lender, and the Existing Factor, their claims or their collateral under Section 506(c) of the Bankruptcy Code or otherwise. The DIP Lender, Suchman, LLC, the Existing WF Facility Agent, the Existing WF Facility Lender, and the Existing Factor shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of their Collateral.

18. Remedies.

(a) Automatic Stay. The automatic stay provisions of Section 362 of the Bankruptcy Code are hereby vacated and modified to the extent necessary to permit the Existing Factor and the DIP Lender to exercise, upon the occurrence of the Termination Date (as defined below), without further application and motion to, hearing before, or order from, the Bankruptcy Court, the following rights and remedies: (i) the DIP Lender may suspend the DIP Facility with respect to additional revolving credit advances, whereupon any additional revolving credit advances shall be made or incurred in the DIP Lender's sole and absolute discretion; (ii) the Existing Factor and the DIP Lender may, except as otherwise expressly provided in the DIP Credit Agreement, increase the rate of interest applicable to the Existing Factor Lien Claims, and the Loans to any applicable Default Rate; and (iii) the DIP Lender and, as applicable, the Existing Factor may: (A) terminate the DIP Facility with respect to further revolving credit advances or the incurrence of further Obligations; (B) reduce the Revolving Credit Commitment from time to time; (C) declare all or any portion of the Existing Factor Lien Claims and the Postpetition Obligations, including all or any portion of any Loan, to be forthwith due and payable, all without presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Debtors; and (D) terminate the consent of the Existing Factor and the DIP Lender to use its Cash Collateral. The Existing Factor or the DIP Lender, as the case may be, shall provide notice of an Event of Default simultaneously to counsel to the Committee and the U.S. Trustee. In the event that the Termination Date arises from one or more of the Events of Default set forth herein or in the DIP Credit Agreement, the Debtors, the Committee or the U.S. Trustee may within three

(3) business days of their receipt of notice of an Event of Default set the matter for hearing before the Court for the sole purpose of disputing whether an Event of Default has occurred.

(b) No Waiver. The failure or delay by the Existing Factor or the DIP Lender to seek relief or otherwise exercise their rights and remedies under this Final Order, under the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations, or any other DIP Loan Documents shall not constitute a waiver of any of the applicable rights of the Existing Factor or the DIP Lender, and any single or partial exercise of such rights and remedies against any Debtor, Cash Collateral or DIP Collateral shall not be construed to limit any further exercise of such rights and remedies against any or all of the other Debtors and/or Cash Collateral and/or DIP Collateral; provided, however, that except as set forth in paragraph 18(a), nothing contained herein shall be deemed to be a modification of the automatic stay.

(c) Access to Leased Premises. Notwithstanding anything to the contrary in this Final Order or the DIP Loan Documents, upon the occurrence of a Termination Date, the rights of the Existing Factor or DIP Lender to enter onto the Debtors' leased premises shall be limited to (i) any such rights agreed to in writing by the applicable landlord in favor of the Existing Factor or DIP Lender or their designee, whether before or after the Petition Date, including, without limitation, in the governing lease agreement itself or in any landlord waiver or similar agreement), (ii) any rights that Existing Factor and/or DIP Lender have under applicable non-bankruptcy law, if any, or (iii) such rights as may be granted by the Court following an expedited

hearing on a separate motion with not less than five (5) business days' notice to the applicable landlords of the leased premises.

(d) Access to Intellectual Property. Notwithstanding anything contained herein to the contrary, and without limiting any other rights or remedies of the Existing Factor and DIP Lender contained in this Final Order, under the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations, or the DIP Loan Documents, or otherwise available at law or in equity, and subject to the terms of the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations and the DIP Loan Documents, upon five (5) business days' written notice to the Debtors, the Committee and the U.S. Trustee, and any licensor of any licensed intellectual property that an Event of Default under the DIP Loan Documents or a default by the Debtors of any of its obligations under this Final Order has occurred and is continuing, the Existing Factor or the DIP Lender, as applicable shall be entitled to all of the Debtors' rights and privileges as licensee under the applicable license and to use any and all trademarks, trade names, copyrights, licenses, patents or any other similar assets of the Debtors, which are owned by or subject to a lien of any third party and which are used by Debtors in its businesses, without interference from licensors thereunder, subject to such licensors' rights under applicable law, provided, however, that the Existing Factor or the DIP Lender, as applicable, shall pay only royalties or other obligations of the Debtors that first arise after the Existing Factor or DIP Lender's written notice referenced above and that are payable during the period of such use by the Existing Factor or DIP Lender, as the case may be, calculated on a per diem basis.

19. Restriction on Use of DIP Lender's Funds. None of the Loan Parties shall be permitted to use the proceeds of the DIP Facility or Cash Collateral: (a) for the payment of interest and principal with respect to any debt, (b) to finance in any way any adversary action, suit, arbitration, proceeding, application, motion, other litigation, examination or investigation of any type relating to or in connection with the Prepetition Credit Agreements, including, without limitation, any challenges to the Existing WF Credit Facility and the Existing Factoring Agreements, or the validity, perfection, priority, or enforceability of any Lien securing such claims or any payment made thereunder, (c) to finance in any way any action, suit, arbitration, proceeding, application, motion, other litigation, examination or investigation of any type adverse to the interests of the Existing Factor, Suchman, LLC, the Existing WF Facility Agent, the Existing WF Facility Lenders, the DIP Lender or their rights and remedies under the DIP Credit Agreement, the other DIP Loan Documents or this Final Order without the prior written consent of the DIP Lender and the Existing Factor, (d) to make any distribution under a plan of reorganization in any Chapter 11 Case, and (e) to make any payment (in the aggregate, together with all other such payments) in excess of Fifty Thousand Dollars ($50,000) in settlement of any claim, action or proceeding, before any court, arbitrator or other governmental body without the prior written consent of the Existing Factor and the DIP Lender; provided that nothing in this subclause (e) shall prevent the Debtors from assuming or curing executory contracts and unexpired leases subject to an order of the Bankruptcy Court if otherwise permitted by the DIP Credit Agreement; provided further that nothing in this paragraph shall prevent the Committee from incurring up to $25,000 in fees and disbursements that may be reimbursed with

proceeds of the DIP Loans for purposes of investigation of any claims against (i) the DIP Lender or its claims or Liens whether under the DIP Credit Agreement or any other DIP Loan Document, and (ii) under the Existing WF Credit Facility or instruments entered into in connection with the foregoing.

20. Release of Claims and Defenses.

(a) Except as to claims, causes of action and defenses arising hereunder, the Debtors hereby release and discharge the DIP Lender, Suchman, LLC, the Existing WF Facility Lenders, the Existing Factor and the Existing WF Facility Agent, together with their respective affiliates, agents, attorneys, officers, directors, managers and employees, and successors and assigns (collectively, the "Released Parties") in all capacities, from any and all claims and causes of action arising out of, based upon or related to, in whole or in part, (i) any of the Existing WF Credit Facility or instruments entered into in connection with the foregoing or the Existing Factor Lien Claims, (ii) any aspect of the prepetition lending relationship between the Debtors, on the one hand, and any or all of the Released Parties, on the other hand, relating to any transaction contemplated thereby, (iii) the negotiation of the DIP Loan Documents or any transaction contemplated thereby, or (iv) any other acts or omissions by any or all of the Released Parties in connection with the Existing WF Credit Facility or the Existing Factor Lien Claims or instruments entered into in connection or their prepetition relationship with such Debtors or any Affiliate (as defined in the Bankruptcy Code) thereof relating to the Existing WF Credit Facility or instruments entered into in connection with the foregoing or any transaction contemplated thereby, including, without limitation, any claims or defenses as to the extent, validity, priority, or

enforceability of the Existing Factor Lien Claims or of the Existing WF Credit Facility or instruments entered into in connection with the foregoing, any claims or defenses under Chapter 5 of the Bankruptcy Code or any other causes of action (collectively, the "Claims and Defenses").

(b) Notwithstanding anything contained herein to the contrary (but in all events subject to the restrictions applicable to the Debtors set forth in this Final Order), the extent, validity, priority, perfection and enforceability of the Existing WF Credit Facility or instruments entered into in connection with the foregoing are for all purposes subject to the rights of any party in interest, other than the Debtors, to file a complaint pursuant to Bankruptcy Rule 7001, seeking to invalidate, subordinate or otherwise challenge any of the Existing WF Credit Facility or instruments entered into in connection with the foregoing; provided, however, that such complaint must be filed in this Court before the earlier to occur of (i) five (5) business days prior to the first day on which a hearing to consider confirmation of a plan of reorganization is scheduled by this Court and (ii) June 9, 2014, which date is sixty (60) days from the appointment of the Committee. If no such complaint is timely filed within the period set forth in the preceding sentence (or such timely filed complaint does not result in a final and non-appealable order of this Court that is inconsistent with clauses (i) through (iv) of paragraph 20(c)), then all Claims and Defenses against the Released Parties shall be, without further notice or order of the Court, deemed to have been forever relinquished, released and waived as to such committee and other person or entity, and if such complaint is timely filed on or before such date, all Claims and Defenses shall be deemed, immediately and without further action, to have been forever relinquished, released and

waived as to such committee and other person or entity, except with respect to Claims and Defenses that are expressly asserted in such complaint.

(c) If no such complaint is timely filed within the period described above in paragraph 20(b), or such timely filed complaint does not result in a final and non-appealable order of this Court that is inconsistent with clauses (i) through (iv) of this paragraph, then, without the requirement or need to file any proof of claim with respect thereto, (i) the Existing WF Credit Facility shall constitute allowed claims for all purposes in the Chapter 11 Cases and any Successor Case, (ii) the Existing WF Credit Facility Liens shall be deemed legal, valid, binding, enforceable, perfected, not subject to subordination or avoidance for all purposes in the Chapter 11 Cases and any Successor Case, (iii) the Existing Factor Lien Claims shall constitute allowed, first-priority secured claims for all purposes in the Chapter 11 Cases and any Successor Case and shall be deemed valid, binding, enforceable, perfected and not subject to subordination or avoidance for all purposes in the Chapter 11 Cases and any Successor Case, (iv) the release of the Claims and Defenses shall be binding on all parties in interest in the Chapter 11 Cases and any Successor Case, and (v) the Existing WF Credit Facility, the Obligations thereunder and the Liens associated therewith, the releases of the Claims and Defenses, and prior payments relating thereto shall not be subject to any other or further claim, cause of action, objection, contest, setoff, defense or challenge by any party in interest for any reason, including, without limitation, any successor to or estate representative of the Debtors.

21. Termination of DIP Loans and Use of Cash Collateral; Term of DIP Credit Agreement. The Debtors' authorization to use the Existing Factor's and Suchman LLC's Cash

Collateral shall immediately and automatically terminate (except as the Existing Factor or the DIP Lender, as applicable, may otherwise agree in writing), and all amounts owed pursuant to the Existing Factor Lien Claims and the Postpetition Obligations shall be immediately due and payable in cash (except as the Existing Factor or the DIP Lender, as applicable, may otherwise agree in writing) upon the first date on which any of the following occur (the "Termination Date"):

(a) the occurrence of the Final Maturity Date;

(b) any of the Events of Default described herein or in the DIP Credit Agreement occurs;

(c) the Existing Factor or the DIP Lender provides notice to the Debtors or their counsel of any other Event of Default herein or under the DIP Credit Agreement or any other DIP Loan Document;

(d) the Existing Factor or the DIP Lender provides notice to the Debtors or their counsel of any breach by the Debtors of any terms or conditions of this Final Order, including, without limitation, those terms and conditions specified in this Final Order regarding compliance with any Approved DIP Budget and timely repayment of the Existing Factor Lien Claims and the Postpetition Obligations; or

(e) any of the Debtors shall assert that any of the terms or conditions of this Final Order are not valid and binding.

Upon the maturity (whether by acceleration or otherwise) of any of the Existing Factor Lien Claims or the Postpetition Obligations or any of the DIP Loan Documents, the Existing

Factor and/or the DIP Lender, as applicable, shall be entitled to immediate payment of such obligations without further application to or order of this Court. Notwithstanding anything herein or in the other DIP Loan Documents, on the Termination Date, the Debtors shall no longer, pursuant to this Final Order, the other DIP Loan Documents or otherwise, be authorized to borrow funds or incur indebtedness hereunder or under the DIP Loan Documents or to use Cash Collateral (subject to the proviso below) or any proceeds of the Postpetition Obligations already received (and any obligations of the DIP Lender to make loans or advances hereunder or under the other DIP Loan Documents automatically shall be terminated); provided, however, the Debtors, the Committee or the U.S. Trustee may within three (3) business days of receipt of notice of an Event of Default set the matter for hearing before the Court for the sole purpose of disputing whether an Event of Default has occurred and the Debtors shall be permitted to continue to use Cash Collateral solely in accordance with the Approved DIP Budget until the Court rules.

22. No Requirement to Accept Title to Collateral. The Existing Factor and DIP Lender shall not be obligated to accept title to any portion of the Cash Collateral or the DIP Collateral in payment of any of the Existing Factor Lien Claims or the Postpetition Obligations, in lieu of payment in cash or cash equivalents, nor shall the Existing Factor or DIP Lender be obligated to accept payment in cash or cash equivalents that is encumbered by any interest of any person or entity other than the Existing Factor or DIP Lender, as applicable.

23. Authorized Signatories. The signature of the Debtors' attorneys, appearing on any one or more of the DIP Loan Documents shall be sufficient to bind the Debtors. No board of directors or other approval shall be necessary.

24. Survival. Any Liens and claims granted hereunder shall survive the Termination Date and shall continue until payment in full in cash of the Obligations. Any actions taken pursuant hereto shall survive entry of any order which may be entered converting these Chapter 11 Cases to Chapter 7 cases, or dismissing these Chapter 11 Cases, or any order which may be entered confirming or consummating any plan(s) of reorganization or liquidation, and the terms and provisions of this Final Order, as well as the priorities in payment, Liens granted pursuant to this Final Order shall continue in this or any superseding case under the Bankruptcy Code.

25. Final Order Binding; Successors. The provisions of this Final Order shall be binding upon and inure to the benefit of the DIP Lender, the Existing WF Facility Agent, the Existing WF Facility Lenders, the Existing Factor, the Debtors and their respective successors and assigns (including any trustee or other estate representative appointed as a representative of the Debtors' Estates or of any estate in any Successor Case). Except as otherwise explicitly set forth in this Final Order, no third parties are intended to be or shall be deemed third party beneficiaries of this Final Order or the DIP Loan Documents.

26. Section 364(e); Effect of Modification of Final Order. Having been found to be making Loans and other financial accommodation to, and permitting the use of Cash Collateral by, the Debtors in good faith, the Existing Factor, the DIP Lender and Suchman LLC (in its capacity as the DIP Lender and as successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility) shall be entitled to the full protection of Section 364(e) of the Bankruptcy Code with respect to the Obligations under the

Existing Factor Lien Claims, the DIP Credit Agreement, the Existing WF Credit Facility and the Liens and priorities created or authorized by this Final Order in the event that this Final Order or any authorization contained herein is stayed, vacated, reversed or modified on appeal. Each of the terms and conditions set forth in this Final Order constitutes a part of the authorization under Section 364, and is therefore, subject to the protections contained in Section 364(e) of the Bankruptcy Code. Any stay, modification, reversal or vacatur of this Final Order shall not affect the validity of any Postpetition Obligations outstanding immediately prior to the effective time of such stay, modification or vacatur, or the validity or enforceability of any Lien, priority, right, privilege or benefit authorized hereby. Notwithstanding any such stay, modification or vacatur, any Postpetition Obligations outstanding immediately prior to the effective time of such modification, stay or vacatur shall be governed in all respects by the original provisions of this Final Order, and the Existing Factor and the DIP Lender shall be entitled to all of the rights, privileges and benefits, including, without limitation, the Liens and priorities granted herein, with respect to all such Postpetition Obligations.

27. Effect of Plan. The Liens, rights and remedies granted to the Existing Factor and the DIP Lender pursuant to this Final Order and the DIP Loan Documents (and granted to Suchman, LLC as successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility) shall not be modified, altered or impaired in any manner by any plan of reorganization for the Debtors except to the extent that (a) it contains a provision for termination of the DIP Lender's lending commitments and repayment in

full in cash of all of the Postpetition Obligations under the DIP Credit Agreement on or before the effective date of such plan, or (b) with the consent of the Existing Factor and the DIP Lender.

28. No Waiver. The rights and obligations of the Debtors and the rights, claims, Liens, and priorities of the Existing Factor and Suchman, LLC as successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility arising under this Final Order are in addition to, and not intended as a waiver or substitution for, the rights, obligations, claims, Liens, and priorities granted by Debtors under the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations and the Existing WF Credit Facility. The failure, at any time or times hereafter, by either the Existing Factor, Suchman, LLC or the DIP Lender to require strict performance by the Debtors (or by any Chapter 7 or Chapter 11 trustee or representative of the Estates hereinafter appointed in these Chapter 11 Cases or any Successor Cases) of any provision of this Final Order, the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations, the Existing WF Credit Facility, or the DIP Loan Documents shall not waive, affect or diminish any right of the Existing Factor, Suchman, LLC or the DIP Lender hereafter to demand strict compliance and performance therewith. No delay on the part of the Existing Factor, Suchman, LLC or the DIP Lender in the exercise of any right or remedy under this Final Order, the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations, the Existing WF Credit Facility or DIP Loan Documents shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. None of the rights or remedies of the Existing Factor, Suchman, LLC or the DIP Lender under this Final

Order, the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations, the Existing WF Credit Facility or DIP Loan Documents shall be deemed to have been suspended or waived by the Existing Factor, Suchman, LLC in its capacity as successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility or the DIP Lender unless such suspension or waiver is in writing, signed by a duly authorized officer of the Existing Factor, Suchman, LLC or the DIP Lender, as applicable, and directed to the Debtors specifying such suspension or waiver.

29. No Dismissal. Until all Existing Factor Lien Claims and Postpetition Obligations shall have been indefeasibly paid in full in cash and satisfied in the manner provided herein and in the DIP Loan Documents or assumed in connection with the Suchman Sale, or upon the written consent of the Existing Factor and the DIP Lender, no Debtor shall seek an order dismissing any of the Chapter 11 Cases. If an order dismissing any of the Chapter 11 Cases under Section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with Sections 105 and 349(b) of the Bankruptcy Code) that (i) the claims and Liens granted pursuant to this Final Order to or for the benefit of the Existing Factor and/or the DIP Lender shall continue in full force and effect and shall maintain their priorities as provided in this Final Order until all Existing Factor Lien Claims and Postpetition Obligations shall have been indefeasibly paid in full in cash and satisfied in the manner provided herein and in the DIP Loan Documents or assumed in connection with the Suchman Sale (and that such claims and Liens shall, notwithstanding such dismissal, remain binding on all parties in interest), (ii) the claims and Liens granted pursuant to this Final Order to or for the benefit of the Existing Factor, Suchman,

LLC in its capacity as successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility the Prepetition Agent and Prepetition Credit Facility Lenders shall continue in full force and effect and shall maintain their priorities as provided in this Final Order (and that such claims and Liens shall, notwithstanding such dismissal, remain binding on all parties in interest), and (iii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing such claims and Liens.

30. Discharge Waiver. Except with respect to a Suchman Sale (in which case the Existing Factor Claims shall be assumed and the Postpetition Obligations and some or all of the Prepetition Obligations used to credit bid with respect to purchase of the Debtors' assets), the Postpetition Obligations and the Prepetition Obligations shall not be discharged by the entry of an order (a) confirming a chapter 11 plan in any Chapter 11 Case (and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors hereby waive such discharge) or (b) converting any Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code. Except with respect to a Suchman Sale, under no circumstances shall any chapter 11 plan in any of the Chapter 11 Cases be confirmed or become effective unless such plan provides that any unpaid Postpetition Obligations shall be indefeasibly paid in full in cash and satisfied in the manner provided herein on or before the effective date of such plan.

31. Access to Debtor. The Debtors shall permit on reasonable notice representatives, agents and/or employees of the Existing Factor and the DIP Lender, including professionals retained by the Existing Factor and DIP Lender, to have reasonable access to their

premises and records during normal business hours and shall cooperate, consult with and provide to such persons all such non-privileged information as they may reasonably request

32. Intercreditor Agreement. Pursuant to Section 510 of the Bankruptcy Code, except as otherwise set forth herein and subject to the consents set forth and described herein, the Prepetition Intercreditor Agreement remains in full force and effect.

33. Final Order Effective. The Final Order shall be effective immediately as of the date of signature by the Court.

34. Retention of Jurisdiction. The Bankruptcy Court shall retain jurisdiction to hear and determine all matters arising from this Final Order and its implementation.

35. Findings of Fact; Conclusions of Law. This Final Order shall constitute findings of fact and conclusions of law. To the extent any findings may constitute conclusions, and vice versa, they are hereby deemed as such.

REDLINE

UNITED STATES BANKRUPTCY COURT **DISTRICT OF NEW JERSEY**	
Caption in Compliance with D.N.J. LBR 9004-2(c) COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A. A Professional Corporation Court Plaza North 25 Main Street P.O. Box 800 Hackensack, NJ 07602-0800 Michael D. Sirota David M. Bass Felice R. Yudkin (201) 489-3000 (201) 489-1536 Facsimile Proposed Attorneys for Debtors-In-Possession	
In re: MEE APPAREL LLC, Debtor-in-Possession.	Case No. 14-16484 (CMG) Judge: Christine M. Gravelle Chapter 11 (Jointly Administered)
In re: MEE DIRECT LLC, Debtor-in-Possession.	

FINAL ORDER (1) AUTHORIZING DEBTORS TO OBTAIN POSTPETITION SECURED FINANCING, (2) AUTHORIZING THE USE OF CASH COLLATERAL, (3) GRANTING LIENS AND SUPERPRIORITY CLAIMS, AND (4) MODIFYING THE AUTOMATIC STAY

The relief set forth on the following pages, numbered two (2) through ~~sixty~~**sixty** (~~60~~**60**), is hereby **ORDERED**.

THIS MATTER having been opened to the Court by MEE Apparel LLC and MEE Direct LLC, the within debtors and debtors-in-possession that are Borrowers and Guarantors (as such terms are defined below, collectively, the "Debtors"), by and through their proposed counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., upon motion (the "Motion") for entry of an interim order and this final order (the "Final Order"):

(1) authorizing the Debtors to obtain priming subordinated senior secured super-priority postpetition extensions of credit in an aggregate principal amount not to exceed $7 million (the "DIP Financing"), pursuant to this Final Order and that certain Financing Agreement substantially in the form attached hereto as **Exhibit A** (as the same may be amended, restated, supplemented, or otherwise modified from time to time pursuant to the terms thereof, **including pursuant to paragraph 2 of this Final Order,** the "DIP Credit Agreement" and together with any related documents and instruments delivered pursuant to or in connection therewith including, without limitation, documents as may be necessary or required to evidence the Debtors' obligations to Suchman, LLC (the "DIP Lender"), to consummate the terms and provisions of the Motion and this Final Order and to evidence perfection of the Liens (as defined in the Motion), the "DIP Loan Documents") by and among the Debtors and the DIP Lender;

(2) authorizing the Debtors to execute and enter into the DIP Credit Agreement and the other DIP Loan Documents and to perform such other and further acts as may be required in connection with the DIP Loan Documents;

(3) authorizing the Debtors' use of Cash Collateral (as defined below), on the terms and conditions set forth in this Final Order;

(4) granting, to the DIP Lender, certain security interests, liens and super-priority claims pursuant to Section 364 of title 11 of the United States Code, 11 U.S.C. § 101, et seq. (the "Bankruptcy Code");

(5) validating the Existing Factoring Agreements, the Existing Factoring Facility, and Existing WF Credit Facility (each as defined in the Motion) as valid, binding and properly perfected obligations of the Debtors, enforceable against the Debtors in accordance with their terms;

(6) granting adequate protection;

(7) modifying the automatic stay; and

(8) setting a final hearing to be held before this Court to consider entry of a Final Order authorizing and approving (a) the DIP Loan Documents on a final basis, (b) the Cash Collateral use by the Debtors on a final basis, and (c) authorizing and approving the other relief requested in the Motion to become effective pursuant to the Final Order; and

An interim hearing on the Motion (the "Interim Hearing") having been held on April 4, 2014 and an order having been entered on April 7, 2014 approving the Motion on an interim basis [Docket No. 68] (the "Interim Order"); and the Court having considered the Motion, the exhibits attached thereto including, without limitation, the DIP Credit Agreement, and the arguments of counsel, together with all declarations, exhibits and other evidence submitted at the Interim Hearing and the hearing on this Final Order (the "Final Hearing"); and in accordance with Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and the local rules of the Court (the "Local Rules"), due and proper notice of the Motion and the Final Hearing having been given; and all objections, if any, to the entry of this Final Order having been

withdrawn, resolved or overruled by this Court; and after due deliberation and consideration, and for good and sufficient cause appearing therefor,

THE COURT HEREBY FINDS AS A MATTER OF FACT AND CONCLUDES AS A MATTER OF LAW:

A. Chapter 11 Petitions. On April 2, 2014 (the "Petition Date"), each of the Debtors filed with this Court a voluntary petition (each, a "Petition," and collectively, the "Petitions") for relief under Chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner. On April 10, 2014, the U.S. Trustee appointed an official committee of unsecured creditors (the "Committee").

B. Jurisdiction; Venue. This Court has jurisdiction over the above captioned cases (the "Chapter 11 Cases") and the Motion pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought herein are Sections 105, 361, 362, 363, 364 and 507 of the Bankruptcy Code and Bankruptcy Rule 4001(b). Venue of the Chapter 11 Cases and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

C. Priority of Existing Factoring Facility. The DIP Financing shall be junior to the first priority lien of the Existing Factor (as defined in the Motion) under the Existing Factoring Agreements and the Existing Factoring Facility but senior to the pre-Petition Date liens

of Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility.

D. DIP Lender's Willingness to Extend DIP Financing and Permit Use of Cash Collateral. The DIP Lender has advanced the DIP Financing in the form of a revolving loan (the "Postpetition Loan") to the Debtors and permitted the Debtors to use Cash Collateral, in each case pursuant to the Initial Approved DIP Budget (as defined below) from the date of the Interim Order through the earlier of the Termination Date (as defined below) or entry of this Final Order (the "Interim Financing Period"), all as more fully set forth in the DIP Credit Agreement and other DIP Loan Documents. All capitalized terms used herein without definition shall have the respective meanings given such terms in the DIP Credit Agreement unless otherwise specified herein.

E. DIP Financing and Use of Cash Collateral Beyond the Interim Financing Period. The DIP Lender has agreed to provide continued DIP Financing to, and permit the use of its Cash Collateral by, the Debtors subsequent to the Interim Financing Period conditioned upon the entry of this Final Order authorizing continued extensions of credit to and borrowing and use of its Cash Collateral by the Debtors on the terms set forth in this Final Order and the DIP Loan Documents.

F. Budget for DIP Financing and Cash Collateral Use. Attached hereto as **Exhibit B** is a rolling budget setting forth all projected cash receipts and cash disbursements (by line item) on a weekly basis for the time period from the Petition Date through and including the week ended May 17, 2014 (collectively, the "Initial Approved DIP Budget"). The Initial

Approved DIP Budget may be modified or supplemented from time to time by additional budgets (covering any time period covered by a prior budget or covering additional time periods) prepared by the Debtors and approved by the DIP Lender and the Existing Factor, without subsequent order of the Court (each such additional budget, a "Supplemental Approved DIP Budget"). The Debtors shall promptly provide a copy of any Supplemental Approved DIP Budget to counsel for the Committee and the Office of the U.S. Trustee and shall file a copy of any such Supplemental Approved DIP Budget. The Initial Approved DIP Budget and any and all Supplemental Approved DIP Budgets, without duplication, shall constitute an "Approved DIP Budget." The Initial Approved DIP Budget is an integral part of this Final Order and has been relied upon by the DIP Lender and Existing Factor in deciding to agree to this Final Order and to provide the DIP Financing and to permit the use of Cash Collateral. The terms "business week," "week," "weekly period" and phrases to similar effect mean each weekly period ending on a Saturday.

G. Prepetition Indebtedness. Without prejudice to the rights of any other party, but subject to the time limitations specified below in paragraph 20 of this Final Order, the Debtors stipulate, and the Court finds based on the Debtors' stipulation, that as of the Petition Date:

(1) The Debtors are parties to the Existing Factoring Agreements, the Existing Factoring Facility, and the Existing WF Credit Facility (the "Prepetition Credit Agreements" and together with all other agreements, and documents relating thereto and executed prior to the Petition Date (in each case, as amended, restated, supplemented or otherwise modified from time to time) collectively, the "Prepetition Loan Documents").

(2) The borrowings and extensions of credit under the Prepetition Credit Agreements were used for working capital and general corporate purposes.

(3) Each of the Debtors is a Borrower under the Prepetition Credit Agreements.

(4) The Debtors granted to and/or for the benefit of the Existing Factor first priority and continuing Liens on the Existing Factor Collateral (as defined in the Motion), including, for the avoidance of doubt, substantially all of the personal property of each of the Debtors.[1] As of the Petition Date, the principal amount of indebtedness owed under the Existing Factoring Agreement to the Existing Factor by the Debtors, exclusive of accrued but unpaid interest, costs, fees and expenses, was approximately $6 million. Without prejudice to the rights of any other party, but subject to the time limitations specified below in paragraph 20 of this Final Order, the Debtors acknowledge and agree that the Liens and claims of the Existing Factor under the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations, including the Debtors' obligation to reimburse the Existing Factor for its reasonable professional fees herein (collectively, the "Existing Factor Lien Claims") are valid and binding agreements and obligations of the Debtors, and the Debtors acknowledge and agree that the Liens held by the Existing Factor constitute valid, binding, enforceable and perfected first-priority Liens, and that such priority is not modified by this Final Order. Without prejudice to the

[1] The Existing Factor, in addition to its security interests, also owns certain of the receivables created by the Debtors under the terms of the Existing Factor Agreements. Nothing herein, including the Existing Factor's consent to the characterization or use of such property as "collateral" or "cash collateral" shall in any way affect, alter, or impair the Existing Factor's ownership rights, and no inferences shall be drawn with respect thereto, provided however that the Liens being granted hereunder for the use of the proceeds of said receivables shall be in full force

rights of any other party, but subject to the time limitations specified in paragraph 20 of this Final Order, the Debtors further acknowledge and agree that (i) the Existing Factor Lien Claims and all claims of the Existing Factor related thereto constitutes the legal, valid and binding obligation of the Debtors, enforceable in accordance with its terms, (ii) no objection, offset, defense or counterclaim of any kind or nature to the Existing Factor Lien Claims exists, and (iii) the Existing Factor Lien Claims, and any amounts previously paid to the Existing Factor or the Existing WF Facility Agent or the Existing WF Facility Lenders are not subject to avoidance, reduction, disallowance, impairment or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

(5) The Debtors granted to and/or for the benefit of the Existing WF Facility Lender and the Existing WF Facility Agent priority and continuing Liens on the Existing WF Collateral (as defined in the Motion), including, for the avoidance of doubt, substantially all of the personal property of each of the Debtors, and such Liens were, prior to the Petition Date (i) subordinated to the Liens of the Existing Factor under the Existing Factoring Agreements and the Existing Factoring Facility, and (ii) assigned to the DIP Lender. As of the Petition Date, the principal amount of the Existing WF Credit Facility owed to Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility by the Debtors, exclusive of accrued but unpaid interest, costs, fees and expenses, was approximately $20.38 million.

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and effect regardless of whether said proceeds constitute Cash Collateral or property owned by the Existing Factor.

H. Validity of Existing WF Credit Facility Obligations and Prepetition Credit Facility Liens. Without prejudice to the rights of any other party, but subject to the time limitations specified below in paragraph 20 of this Final Order, the Debtors acknowledge and agree that the Existing WF Credit Facility and its related agreements and obligations are valid and binding agreements and obligations of the Debtors, and the Debtors acknowledge and agree that the Liens granted under the Existing WF Credit Facility constitute valid, binding, enforceable and perfected Liens, with the respective priorities set forth above in paragraph G, as such have been modified by this Final Order. Without prejudice to the rights of any other party, but subject to the time limitations specified in paragraph 20 of this Final Order, the Debtors further acknowledge and agree that (i) the Existing WF Credit Facility constitutes the legal, valid and binding obligation of the Debtors, enforceable in accordance with its terms, (ii) no objection, offset, defense or counterclaim of any kind or nature to the Existing WF Credit Facility exists, and (iii) the Existing WF Credit Facility, and any amounts previously paid to the Existing Factor or the Existing WF Facility Agent or the Existing WF Facility Lenders (or their successors and assigns, including the DIP Lender) on account of the Existing WF Credit Facility, are not subject to avoidance, reduction, disallowance, impairment or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

I. Cash Collateral. For purposes of this Final Order, "Cash Collateral" shall mean and consist of all of the respective property of the Debtors that constitutes cash collateral in which either of the Prepetition Lenders (as defined in the Motion) has an interest as provided in Section 363(a) of the Bankruptcy Code. All cash and cash equivalents currently in an account of

any Debtor or otherwise in the possession or control of any Debtor constitute proceeds of Cash Collateral and DIP Collateral, subject to the liens of the Existing Factor and Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility.

J. DIP Financing. The Debtors have requested that, pursuant to the terms of the DIP Loan Documents, the DIP Lender make loans and advances and provide other financial accommodations to the Debtors and consent to the use of its Cash Collateral, to be used by the Debtors solely in accordance with the terms of the DIP Loan Documents. As a condition to the DIP Lender's agreement to enter into the DIP Credit Agreement (which DIP Credit Agreement is subordinated to the Existing Factoring Agreements and the Existing Factoring Facility), Suchman, LLC (as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders) has agreed to subordinate the Existing WF Credit Facility to the DIP Credit Agreement; provided, however, that as a condition to such subordination and priming, Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility, requires that the Existing WF Credit Facility be affirmed by the Debtors and shall continue and remain outstanding as obligations of the Debtors.

K. No Alternative Sources of Financing. The Debtors have been unable to obtain alternative sources of cash or credit either in the form of (i) unsecured credit allowable as an administrative expense under Section 503(b)(1) of the Bankruptcy Code, (ii) unsecured credit allowable under Sections 364(a) and 364(b) of the Bankruptcy Code, (iii) unsecured credit allowable solely as a superpriority administrative expense under Section 364(c)(1) of the

Bankruptcy Code, or (iv) secured credit allowable pursuant to Sections 364(c)(2), (c)(3) and/or (d)(1) of the Bankruptcy Code on terms and conditions more favorable to the estates created by the filing of the Petitions (collectively, the "Estates") than those set forth in the DIP Loan Documents and this Final Order. Under the circumstances, no other source of financing or financial accommodations exists on terms more favorable than those offered by the DIP Lender. Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility, and holder of a senior, secured priority Lien (subject only to the Liens of the Existing Factor) is not willing to subordinate to the Lien of any other party.

L. Collateral. The DIP Credit Agreement contemplates that all advances and extensions of credit under the DIP Credit Agreement and the other DIP Loan Documents shall constitute one general obligation of the Debtors secured, until the Termination Date, by a first priority Lien, senior to all other Liens, on all of the DIP Collateral (as defined below) (the "Postpetition Liens") except for the Lien of the Existing Factor granted under the Existing Factoring Agreements and with the understanding that the Postpetition Liens are intended to prime all other Liens.

M. Good Faith; Best Interests; Reasonably Equivalent Value. The DIP Lender in each of its capacities as the DIP Lender and as successor to the Existing WF Credit Facility has acted in good faith in, as applicable, agreeing to extend credit and other financial accommodations to, and permit the use of Cash Collateral by, the Debtors in accordance with the DIP Loan Documents and this Final Order. The agreements and arrangements authorized in this

Final Order have been negotiated at arms' length among the Debtors, the DIP Lender and the Existing Factor, with all parties represented by experienced counsel, are fair and reasonable under the circumstances, are enforceable in accordance with their terms and have been entered into in good faith. Any credit extended and loans made by the DIP Lender to the Debtors, as well as Cash Collateral used by the Debtors, pursuant to this Final Order and/or the DIP Loan Documents shall be deemed to have been extended in good faith, as that term is used in Section 364(e) of the Bankruptcy Code, and the DIP Lender is each entitled to the benefits of that Section. The terms of the DIP Credit Agreement and other DIP Loan Documents, and this Final Order, are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and constitute reasonably equivalent value and fair consideration. After considering all of their alternatives, the Debtors have concluded, in an exercise of their business judgment, that the DIP Financing to be provided by the DIP Lender pursuant to the terms of the DIP Loan Document and this Final Order and the provisions herein governing the Debtors' use of Cash Collateral represent the best financing presently available to the Debtors.

N. Good Cause Shown/Exigency. Good, adequate and sufficient cause was shown for the entry of the Interim Order. An immediate and critical need existed and continues to exist for the Debtors to borrow funds and/or obtain other extensions of credit and financial accommodations pursuant to the DIP Loan Documents in order to continue the operation of their businesses. The Debtors do not have sufficient available sources of working capital or financing to carry on the operation of their businesses without access to the DIP Financing provided by the

DIP Credit Agreement and permission to use Cash Collateral. The ability of the Debtors to maintain business relationship with their vendors and suppliers so that they may be able to obtain services and supplies and otherwise finance their business operations is essential to the Debtors continued viability and ability to structure their business operations. Without the DIP Financing and the right to use Cash Collateral, the Debtors' operations would be discontinued or severely disrupted, and the Debtors would be unable to pay operating expenses, including expenses for necessary inventory and payroll, and to operate their businesses in an orderly manner, thereby severely impairing their ability to reorganize. Accordingly, the Debtors and their Estates will suffer immediate and irreparable harm unless the Debtors are authorized to obtain DIP Financing and use Cash Collateral, subject to the terms and conditions set forth in this Final Order. Consequently, the relief requested in the Motion (i) is necessary, essential and appropriate for the continued operation of the Debtors' businesses and the management and preservation of their assets and properties, (ii) is in the best interests of the Debtors, their Estates and creditors, and (iii) will facilitate the Chapter 11 Cases by providing the parties and this Court with an opportunity to consider reorganization alternatives.

O. No Liability to Third Parties. The Debtors stipulate and the Court finds that in making decisions to advance loans and extend credit to the Debtors, in administering any loans or extensions of credit, in permitting the Debtors to use Cash Collateral, in accepting the Initial Approved DIP Budget or any future Supplemental Approved DIP Budget or in taking any other actions permitted by this Final Order or the DIP Loan Documents, neither the DIP Lender nor the Existing Factor shall be deemed to be in control of the operations of the Debtors or to be

acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors.

P. Notice. Pursuant to Bankruptcy Rules 2002, 4001(b)(1) and 9014, and the Local Rules of the Bankruptcy Court, notice of the Interim Hearing, this Final Hearing and the relief requested in the Motion has been provided by the Debtors, whether by telecopy, email, overnight courier, or hand delivery, to certain parties in interest including, but not limited to: (i) the Office of the United States Trustee for the District of New Jersey (the "U.S. Trustee"); (ii) those parties listed on the List of Creditors Holding Largest Twenty Unsecured Claims Against the Debtors, as identified in the Petitions; (iii) counsel to the DIP Lender; (iv) counsel to the Existing Factor; (v) the Internal Revenue Service; (vi) the office of the United States Attorney General for the District of New Jersey; (vii) counsel to the Committee; (viii) the U.S. Securities and Exchange Commission; and (ix) all other parties required to receive notice pursuant to the Bankruptcy Rules 2002, 4001 or 9014 or requesting to receive notice prior to the Final Hearing. Under the circumstances, due and sufficient notice and opportunity for a hearing has been given in accordance with the provisions of Sections 363 and 364 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001 and 9014, and any other applicable law, and no other or further notice relating to the Motion, this Final Order or this proceeding is necessary or required.

BASED UPON THE FOREGOING FINDINGS AND CONCLUSIONS, AND UPON THE RECORD MADE BEFORE THIS COURT AT THE HEARINGS ON THE MOTION, AND GOOD AND SUFFICIENT CAUSE APPEARING THEREFOR,

IT IS HEREBY ORDERED:

1. Motion Granted. The Motion is granted on a final basis on the terms of this Final Order. Any objections to the Motion or the relief sought therein that have not been previously resolved or withdrawn are hereby overruled on their merits. Subject to the terms hereof, this Final Order is valid immediately, binding on all parties-in-interest and fully effective upon its entry. To the extent that there is a contradiction between the terms and provisions of this Final Order and the DIP Loan Documents, the terms and provisions of this Final Order shall control.

2. Authorization to Borrow; DIP Financing; DIP Loan Documents. The Debtors are authorized to enter into and be bound by the DIP Credit Agreement and all other DIP Loan Documents, and to borrow money, incur debt, reimbursement obligations and other obligations, grant Liens, make deposits, provide guaranties and indemnities and perform their respective obligations hereunder and thereunder solely in accordance with, and subject to, the terms and conditions of this Final Order, the DIP Credit Agreement and the other DIP Loan Documents. The Debtors are authorized and directed to comply with and perform all of the terms and conditions contained in the DIP Loan Documents (except as provided herein).

With written consent of the DIP Lender and upon notice to the Existing Factor, the Debtors are authorized to amend, modify or supplement any of the DIP Loan Documents or waive any of the provisions thereof in accordance with their terms, without further order of this Court or notice to any party; provided, however, that notice of any (i) increase in the aggregate amount of the DIP Lender's lending commitments, (ii) increase in the applicable interest rates, other than increases described in the Motion, (iii) shortening of the maturity of the obligations under the DIP

Loan Documents or (iv) modification (other than any non-substantive modification) of the financial covenants or events of default shall be provided to the U.S. Trustee and counsel to the Committee, each of which shall have five (5) days from the date of such notice within which to object in writing to such amendment, modification or supplement, and upon any such timely written objection, such amendment, modification or supplement shall only be permitted pursuant to an order of this Court. All obligations owed to DIP Lender, under or in connection with the DIP Loan Documents, including, without limitation, all Obligations (as such term is defined in the DIP Credit Agreement), loans, advances, other financial accommodations and other indebtedness, obligations and amounts (contingent or otherwise) owing from time to time under or in connection with the DIP Loan Documents, are defined and referred to herein as the "Postpetition Obligations."

Amendments to DIP Credit Agreement. Effective upon entry of this Final Order and without need for further action by the Debtors or the DIP Lender, the DIP Credit Agreement is modified as follows:

(a) The definition of "Agreed Administrative Expense Priorities" set forth in Section 1.01 of the DIP Credit Agreement is amended and restated in its entirety as follows:

> **""Agreed Administrative Expense Priorities" means that administrative expenses with respect to the Borrowers and, with respect to sub-clause (ii) of clause "first", any official committee appointed by the Bankruptcy Court, shall have the following order of priority:**
>
> **first, (i) amounts payable pursuant to 28 U.S.C. § 1930(a)(6) and any fees due to the clerk of the Bankruptcy**

Court; (ii) amounts payable in respect of Carve-Out Expenses; provided that the amount entitled to priority under this sub-clause (ii) of this clause first ("Priority Professional Expenses") during any Carve-Out Expense Reduction Period shall not exceed (x) the amount of unpaid Carve-Out Expenses actually incurred on or after the Petition Date and prior to the commencement of the Carve-Out Expense Reduction Period, plus (y) the amount of Carve-Out Expenses actually incurred during such Carve-Out Expense Reduction Period in an aggregate sum not to exceed the lesser of (A)(x) $50,000, in the case of Carve-Out Expenses for professionals retained by the Borrowers and (y) $25,000, in the case of Carve-Out Expenses for professionals retained by any statutory committee, and (B) the amounts provided for such Carve-Out Expenses in the Budget during the Carve-Out Reduction Period (the "Professional Expense Cap"); provided, however, that (1) during any Carve-Out Expense Reduction Period, any payments actually made in respect of Carve-Out Expenses (other than from fee retainers or advances held by such professionals), shall reduce the Professional Expense Cap on a dollar-for-dollar basis, and (2) for the avoidance of doubt, so long as no Carve-Out Expense Reduction Period shall be continuing, the payment of Carve-Out Expenses shall not reduce the Professional Expense Cap; and (iii) any obligations up to $1,000,000 in the aggregate owed by the Borrowers pursuant to the Borrowers' agreement to indemnify their Chief Restructuring Officer with respect to pending or threatened litigation against him for acts occurring on or after February 16, 2014, including obligations to reimburse reasonable fees and expenses that may be incurred in connection with such pending or threatened litigation;

second, all Obligations in accordance with Section 3.02, and

third, all other allowed administrative expenses."

(b) The definition of "Measurement Date" set forth in Section 1.01 of the DIP Credit Agreement is amended and restated in its entirety as follows:

""Measurement Period" means, as of Saturday of each week, the period from the Petition Date through and including such Saturday."

(c) The definition of "Sale Milestones" set forth in Section 1.01 of the DIP Credit Agreement is amended and restated in its entirety as follows:

""Sale Milestones" means the following milestones with respect to the sale of all or substantially all of the Borrowers' assets or equity interests pursuant to Section 363 of the Bankruptcy Code, in each case, in a manner satisfactory to the Lender in its sole and absolute discretion:

(a) entry of an order, satisfactory to the Lender in its sole and absolute discretion, approving the Borrowers' retention of an investment banking firm acceptable to the Lender, no later than twenty-five (25) days after the Petition Date;

(b) completion of an offering memorandum, teaser and nondisclosure agreement no later than ten (10) days after the Petition Date;

(c) entry of an order, satisfactory to the Lender in its sole and absolute discretion, approving sale procedures (the "Sale Procedures Order") no later than twenty-one (21) days after the Petition Date;

(d) conduct an auction (the "Auction"), if more than one bona fide offer meeting the conditions established by the Borrowers with the approval of the Lender is received, no later than May 21, 2014 or such later date as may be consented to by the Lender in its sole and absolute discretion;

(e) hold and conclude a hearing to approve the sale (the "Sale Hearing") no later than May 28, 2014;

(f) entry of a final order of the Bankruptcy Court, satisfactory to the Lender in its sole and absolute discretion, approving the sale (the "Sale Order") no later than two (2) Business Days after the Sale Hearing is concluded, or such later

date as may be consented to by the Lender in its sole and absolute discretion; and

(g) close the sale no later than two (2) Business Days after entry of the Sale Order, or such later date as may be consented to by the Lender in its sole and absolute discretion."

(d) Section 6.02(u) of the DIP Credit Agreement is hereby amended and restated in its entirety as follows:

"(u) Compliance with Budget. (i) Make any payment or incur any obligation that is not provided for in the Budget (within the variances and carry-forwards from budgeted amounts permitted by this Agreement), (ii) [intentionally omitted], (iii) make any payment on account of any item in the Budget for any period following the closing of the transactions contemplated by the Stalking Horse APA or (iv) notwithstanding the timing of any such payment as set forth in the Budget, to the extent that the Borrowers are able to obtain credit terms from vendors, pay such vendors more than five (5) days prior to the expiration of such credit terms; provided, however, that the Borrowers may make payments to vendors from time to time as the Borrowers reasonably determine are necessary or desirable to be able to continue to utilize credit extended by or maintain availability with such vendors.

(e) Section 6.03 of the DIP Credit Agreement is hereby amended and restated in its entirety as follows:

"Section 6.03 Financial Covenants. So long as any principal of or interest on any Loan or any other Obligation (whether or not due) shall remain unpaid or any Lender shall have any Revolving Credit Commitment hereunder, each Borrower shall not, unless the Lender shall otherwise consent in writing:

(a) [Intentionally Omitted].

(b) Cash Receipts. Permit the variance between actual cash receipts and the amount set forth therefor in the

Budget, other than any variance attributable to the "Rosenthal Receipts (AR/Inv Sale/Hilco)" line item, for any Measurement Period to be more than 20%.

(c) Disbursements. Permit the variance between actual disbursements made with respect to any line item in the Budget in any Measurement Period to exceed the total amount budgeted for such line item for such Measurement Period by more than twenty percent (20%), or permit the total disbursements for all line items in the Budget in any Measurement Period to exceed the total budgeted disbursements for all line items in the Budget for such Measurement Period by more than twenty-five percent (25%); provided, that unused amounts set forth in the Budget for any line item may be carried forward and used to fund such line item in future weekly budget periods; provided, further, that all disbursements in the Budget for sales Taxes shall be paid not later than the end of week 7 of the Budget."

3. Valid and Binding Obligations. Upon execution and delivery of the DIP Loan Documents, the DIP Loan Documents shall constitute valid and binding obligations of the Debtors, enforceable against the Debtors in accordance with their terms, except as otherwise expressly set forth in this Final Order. Except as otherwise expressly set forth in this Final Order, no obligation, payment, transfer or grant of security under this Final Order or the other DIP Loan Documents shall be stayed, restrained, voidable or recoverable under the Bankruptcy Code or any applicable nonbankruptcy law, or subject to any defense, reduction, setoff, recoupment or counterclaim.

4. Maximum Amount of Borrowing. The maximum aggregate outstanding principal amount of the Postpetition Loans the Debtors may borrow from DIP Lender pursuant to this Final Order and the DIP Loan Documents shall be $7,000,000 as reflected in the Approved

DIP Budget, with such cushions as are permitted in the DIP Loan Documents (for the avoidance of doubt, it being understood and agreed that the presence of any "basket" or "carve-out" set forth in any negative covenant contained in Section 6.02 of the DIP Credit Agreement shall not be, and shall not be deemed to be, an approval or acceptance by the DIP Lender of any Line Item in any Approved DIP Budget, or portion thereof, related to cash expenditures of the type described in such "basket" or "carve-out," which shall remain subject to the approval rights of the DIP Lender with respect to each Approved DIP Budget). For avoidance of doubt, except as otherwise provided in this Final Order, any "basket" or "carve-out" agreed to between the Debtors and the DIP Lender, or which may be agreed to in the future, shall not affect the Existing Factor Lien Claims.

5. Interest; Fees; Professional Expenses. The rate of interest to be charged for the Postpetition Loan and other extensions of credit to the Debtors under the DIP Credit Agreement shall be the rates set forth in the DIP Credit Agreement and shall be payable at the times set forth in the DIP Credit Agreement. Any and all fees paid or required to be paid in connection with the DIP Loan Documents, including, without limitation, all title premiums and recording fees and expenses in connection with the perfection or recordation of and title insurance relating to the Postpetition Liens, are hereby authorized and shall be paid to the extent disclosed in the Motion or contained in the DIP Loan Documents, and all reimbursable expenses set forth in the DIP Credit Agreement may be paid by the Debtors (or charged to the loan account) in accordance with the DIP Credit Agreement, each with the same priority as the Postpetition Obligations and without further notice to or order of the Court and without the need or

requirement to file any motion or fee application. Notwithstanding any other provision of this Final Order (including, but not limited to, paragraph 12), any other order of this Court or any other agreement, the Debtors shall pay the fees, costs and expenses of the DIP Lender as set forth in the DIP Credit Agreement.

6. Cash Management System. The Debtors may use Cash Collateral (including that of the Existing Factor) from and including the Closing Date to and including the earlier of May 17, 2014 and the Final Maturity Date (as defined below), subject to compliance by the Debtors with the covenants set forth in Section 6 of the DIP Credit Agreement and subject to paragraph 7 below and further Order of the Court. The Debtors' use of Cash Collateral shall be governed by the terms of this Final Order and Section 7.02 of the DIP Credit Agreement notwithstanding any provision under any blocked account agreement, deposit account control agreement or other similar type of agreement ("Control Agreements") but subject to the terms of the Existing Factoring Agreements and prepetition practices. With respect to any dispute between the provisions of any Control Agreements and this Final Order, the provisions of this Final Order (through, to and including the Final Maturity Date) shall govern and this Final Order shall override any limitations in such Control Agreements with respect to the use of Cash Collateral (through to and including the Termination Date). Notwithstanding the Existing Factoring Agreements or any Control Agreements, (a) the automatic sweep from the MEE Direct Corporate Account to the Existing Factor shall immediately cease and the Debtors shall have, subject to the terms of this Final Order, direct use of such funds and (b) subject to the Existing Factor's receipt of good funds pursuant to paragraph 8(d)(i) of this Final Order, the Debtors shall be permitted to

use as Cash Collateral the proceeds of any payment received by Hilco Merchant Resources, LLC. The Existing Factor has released to the DIP Lender $5 million of the Suchman Cash Dominion pledge, to be advanced to the Debtors in connection with the DIP Financing.

7. Use of Proceeds and Cash Collateral. Upon the occurrence of the Closing Date, proceeds of the DIP Facility and Cash Collateral, pursuant to section 363(c)(2) of the Bankruptcy Code, may be used by the Debtors to (i) pay fees and expenses associated with the DIP Credit Agreement, (ii) fund the ongoing postpetition working capital needs and other general corporate purposes of the Debtors, (iii) pay expenses permitted by the Carve-Out, and (iv) fund the payment of such prepetition and other out of the ordinary course of business expenses of the Debtors as may be permitted under the DIP Credit Agreement and approved by the Bankruptcy Court, including, without limitation, permitted capital expenditures, priority employee wage claims, sales tax liability, and expenses associated with the assumption of executory contracts and unexpired leases, in each case in amounts not to exceed in any weekly period the amounts in the Approved DIP Budget (subject to increase within the cushions described in Sections 6.02(w) and 6.03 of the DIP Credit Agreement (for the avoidance of doubt, it being understood and agreed that the presence of any "basket" or "carve-out" set forth in any negative covenant contained in Section 6.02 of the DIP Credit Agreement shall not be, and shall not be deemed to be, an approval or acceptance by the DIP Lender of any Line Item in any Approved DIP Budget, or portion thereof, related to cash expenditures of the type described in such "basket" or "carve-out," which shall remain subject to the approval rights of the DIP Lender with respect to each Approved DIP Budget, as set forth herein)). The proceeds of the DIP Financing and Cash Collateral may not be

used: (a) for the payment of interest and principal with respect to any debt, including, without limitation, the Existing Factoring Facility; (b) to finance in any way any adversary action, suit, arbitration, proceeding, application, motion or other litigation of any type relating to or in connection with the Prepetition Credit Agreements or any of the loan documents or instruments entered into in connection therewith, including, without limitation, any challenges to the Existing WF Credit Facility, or the validity, perfection, priority, or enforceability of any lien securing such claims or any payment made thereunder; (c) to finance in any way any action, suit, arbitration, proceeding, application, motion or other litigation of any type adverse to the interests of the Existing Factor, the Existing WF Facility Agent, the Existing WF Facility Lenders, Suchman, LLC or the DIP Lender or their rights and remedies under the Existing Factor Agreement, the DIP Credit Agreement, the other DIP Loan Documents, the Existing WF Credit Facility, or this Final Order; (d) to make any distribution under a plan of reorganization in any Chapter 11 Case; and (e) to make any payment (in the aggregate, together with all other such payments) in excess of Fifty Thousand Dollars ($50,000) in settlement of any claim, action or proceeding, before any court, arbitrator or other governmental body without the prior written consent of the DIP Lender and the Existing Factor; provided that nothing in this subclause (e) shall prevent the Debtors from assuming or curing executory contracts and unexpired leases subject to an order of the Bankruptcy Court if otherwise permitted by the DIP Credit Agreement.

The Debtors shall provide the DIP Lender and the Existing Factor, with a copy to counsel for the DIP Lender and the Existing Factor, (A) a weekly report of the Debtors' cash receipts, (B) a weekly report of the Debtors' cash disbursements for each of the Debtors' expense categories,

(C) a weekly report concerning the review and comparison of the Debtors' use of Cash Collateral, including collections, revenues and expenses during the week and the amount of variance, if any, from the corresponding amounts set forth in the DIP Budget, (D) a copy of each monthly operating report filed by the Debtors in these Chapter 11 Cases as required by the Court, the U.S. Trustee or applicable law. The weekly reports shall encompass the period of each week, ending on the close of business on Saturday, for every week until the Termination Date (as defined herein), and shall be delivered to the DIP Lender and Existing Factor, by 5:00 p.m., Eastern time, on Wednesday of the following week.

8. Adequate Protection for Existing Factor. The Existing Factor is hereby provided with the following forms of adequate protection, each of which shall be a "Postpetition Obligation" as defined herein (which the DIP Lender acknowledges as acceptable to it) pursuant to sections 361, 363(c), 363(e) and 364(d) of the Bankruptcy Code for any diminution in value of its interest in the Pre-Petition Collateral (including Cash Collateral) for any reason resulting from the Debtor's use, sale or lease of such Collateral (collectively, and solely to the extent of any such diminution in value, the "Diminution in Value"):

(a) **Post-Petition Replacement Liens**. As adequate protection for any Diminution in Value and as an inducement to the Existing Factor to permit the Debtors' use of the Cash Collateral as provided in this Final Order, the Debtors hereby grant, assign and pledge to the Existing Factor, post-petition replacement security interests in and liens (the "Post-Petition Replacement Liens") on all of the Collateral whether acquired before or after the Petition Date, whether existing or hereafter acquired, created or arising, and all products and proceeds thereof,

including all accessions thereto, substitutions and replacements therefor, wherever located, including accounts receivable. Upon entry of this Final Order, the Liens and security interests granted hereunder to the Existing Factor as adequate protection shall be valid, perfected and enforceable against the Collateral without further filing or recording of any document or instrument or the taking of any further actions.

(b) **Adequate Protection, Super-Priority Claim**. The Existing Factor is hereby granted, to the extent of any Diminution in Value, a super-priority administrative claim (the "Adequate Protection Super-Priority Claim") that shall have priority in the Chapter 11 Cases under and in accordance with the provisions of sections 364(c)(1), 503(b) and 507(b) of the Bankruptcy Code and otherwise over all administrative expense claims and unsecured claims against the Debtors and their estates, now existing or hereafter arising, of any kind or nature whatsoever including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 503(a), 503(b), 506(c) (upon entry of this Final Order), 507(a), 507(b), 546(c), 546(d), 726(b), 1113, and 1114 of the Bankruptcy Code.

(c) **Payment of Fees, Costs and Expenses**. The Existing Factor shall be entitled to have the Debtors pay all reasonable out-of-pocket fees, costs and expenses incurred by the Existing Factor with respect to the Pre-Petition Obligations (including, without limitation, the reasonable fees and disbursements of counsel and other professional advisers advising the Existing Factor, including McElroy, Deutsch, Mulvaney & Carpenter, LLP, and any other professionals retained by the Existing Factor, including any consultants) and in connection with the protection and enforcement of the rights and interests of the Existing Factor, with respect to

such fees, costs, disbursements and expenses incurred on or after the Petition Date, within five (5) business days of presentation (with copies to the United States Trustee and the DIP Lender) of an invoice therefor (which invoice may be redacted to remove privileged or case sensitive material) without the requirement of prior Court approval or compliance with guidelines applicable to retained professionals.

(d) **Existing Factor Lien Claims Paydown Milestones**: The Existing Factor's consent for the Debtors to use its Cash Collateral herein is expressly conditioned upon receipt of payments by the Debtors by the deadlines set forth below reducing the total indebtedness of the Existing Factor Lien Claims to $4 million. If the Debtors fail to make any payment by the deadline set forth herein, unless the Existing Factor agrees in writing otherwise, the Debtors' authority to use the Existing Factor's cash collateral shall be immediately terminated, without requirement of any notice, and the Existing Factor may immediately re-commence the automatic sweep from the MEE Corporate Account to the Existing Factor under the Existing Factor Agreements. The Debtors' authorization to continue using the Existing Factor's Cash Collateral shall only be reinstated upon issuance of any such missed payment or upon further Order of this Court. The following paydown milestones are hereby established:

(i) Within two (2) business days following entry of the Interim Order, to the extent not previously received, the Existing Factor shall receive an initial paydown payment of $5,300,000 in good funds, which payment was made on April [3], 2014.

(ii) On or before April 12, 2014, the Existing Factor shall receive paydown payments such that the total indebtedness under the Existing Factor Lien Claims shall

be reduced to not more than $5.8 million, which payments were made on or before April 12, 2014.

(iii) On or before April 26, 2014, the Existing Factor shall receive paydown payments such that the total indebtedness under the Existing Factor Lien Claims shall be reduced to not more than $4.5 million.

(iv) On or before May 10, 2014, the Existing factor shall receive paydown payments such that the total indebtedness under the Existing Factor Lien Claims shall be reduced to not more than $4 million.

At all times after the total indebtedness under the Existing Factor Lien Claims has been reduced to $4 million or less, and until such time as the obligations under the Existing Factor Agreements are satisfied in full or assigned to and assumed in connection with the Suchman Sale (as defined below), (A) the Debtors shall maintain a collateral base securing such indebtedness of not less than $1 million in cash collateral (i.e., the Suchman Cash Dominion pledge) and $8 million in inventory and (B) the collection or receipt of any receivables or other sums due to the Debtors by the Existing Factor shall be remitted to the DIP Lender.

(e) **Reservation of Rights**. The Existing Factor reserves the right to request additional or further adequate protection of its interests in the Pre-Petition Collateral. This Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair (a) any of the rights of the Existing Factor under the Bankruptcy Code or under non-bankruptcy law, including, without limitation, the right of the Existing Factor to seek (i) the appointment of a trustee under section 1104 of the Bankruptcy Code, (ii) relief from the automatic

stay under section 362(d) of the Bankruptcy Code, (iii) dismissal or conversion of the Chapter 11 Cases under section 1112 of the Bankruptcy Code, (iv) to terminate the period during which the Debtors have the exclusive right to propose and/or obtain confirmation of a plan of reorganization pursuant to section 1121 of the Bankruptcy Code or (v) any other relief that the Existing Factor, in its sole discretion, may deem appropriate.

9. Cash Collateral Events of Default: The post-petition occurrence of any of the following shall constitute an Event of Default with respect to the Debtors' authorization to use Cash Collateral of the Existing Factor and/or DIP Lender, as applicable:

(a) Violation of any of the terms of this Final Order;

(b) The occurrence of any default, Event of Default or violation of any of the terms of the DIP Credit Agreement and/or any of the DIP Loan Documents;

(c) Any Debtor makes any distributions or payments to (A) any direct or indirect holder (at any level of the ownership structure) of any of such Debtor's capital stock or any person that holds a partnership or membership interest in any Debtor or (B) any principals, shareholders, members and/or partners of any Debtor, provided, however, that (i) distributions to Seth Gerszberg in the same aggregate monthly amount as the Debtors made prepetition and (ii) payments to the DIP Lender pursuant to this Final Order shall not constitute an Event of Default;

(d) The Debtors' failure to comply with the reporting requirements contained in this Final Order within two (2) business days after receiving notice of such failure from the Existing Factor and/or the DIP Lender;

(e) Any Debtor shall fail to comply in any material respect with the DIP Budget (after accounting for any cushion permitted under the DIP Credit Facility);

(f) The failure of the Debtors to reimburse the Existing Factor or the DIP Lender for all professional fees, including, but not limited to, attorneys' fees, costs and expenses and consulting fees and related costs;

(g) The failure by the Debtors to pay the Existing Factor Lien Claims from the net proceeds of Sale to the Existing Factor contemporaneously with the closing of the Sale (except with respect to a sale to Suchman, LLC currently contemplated pursuant to Section 363 of the Bankruptcy Code (the "Suchman Sale"), in which case the Existing Factor Lien Claims shall be assumed);

(h) The appointment of a Trustee pursuant to § 1104(a)(1) or (a)(2) of the Bankruptcy Code in any of the Chapter 11 Cases;

(i) The appointment of an examiner with expanded powers, other than a fee examiner;

(j) Dismissal of any of the Chapter 11 Cases or any subsequent chapter 7 case without the express written consent of the Existing Factor and DIP Lender, in their sole and absolute discretion;

(k) The entry of any order materially modifying, reversing, revoking, staying, rescinding, vacating, or amending this Final Order without the express prior written consent of the Existing Factor and the DIP Lender, in their sole and absolute discretion;

(l) Default in the payment of any amount owed by the Debtors to the Existing Factor and/or DIP Lender as and when due hereunder;

(m) The rendering against any Debtor of an arbitration award, a final judgment, decree or order, in each case requiring the post-petition payment of money in excess of $100,000 in the aggregate or a post-petition lien on any of the Collateral, and the continuance of such arbitration award, judgment, decree or order unsatisfied and in effect for any period of thirty (30) consecutive days;

(n) The filing by any Debtor of any motion or proceeding that could reasonably be expected to result in material impairment of the Existing Factor's or DIP Lender's rights under this Final Order, including any motion to surcharge the Existing Factor and/or DIP Lender, the Existing Factor Lien Claims or the DIP Loans, or the Collateral under section 506(c) of the Bankruptcy Code or otherwise;

(o) The filing of a motion by any Debtor for entry of an order staying or otherwise prohibiting the prosecution of any enforcement action or any motion or pleading seeking to challenge the Existing Factor's or DIP

Lender's Liens or otherwise commencing any cause of action against the Existing Factor or the DIP Lender;

(p) Any Debtor (except following the Existing Factor and the DIP Lender's prior written request or with the Existing Factor's and the DIP Lender's express prior written consent) shall file a motion with the Bankruptcy Court or any other court with jurisdiction in the matter seeking an order, or an order is otherwise entered, modifying, reversing, revoking, staying, rescinding, vacating, or amending this Final Order (no consent shall be implied from any other action, inaction, or acquiescence of the Existing Factor or the DIP Lender);

(q) Any Debtor shall file, or any other person shall obtain Bankruptcy Court approval of a disclosure statement for a plan of reorganization that seeks to treat the Claims of the Existing Factor and the DIP Lender in a manner that is materially inconsistent with the provisions of this Final Order;

(r) This Final Order shall cease to be in full force and effect at any time after the date of entry thereof by the Bankruptcy Court;

(s) The Existing Factor or the DIP Lender believe in good faith that the prospect of payment in full of any part of the Obligations to the extent required hereunder, or that full performance by the Debtors hereunder, is impaired, or that there has occurred any Material Adverse Effect in the business or financial condition of any Debtor, provided that the Court shall have power to determine whether such belief is objectively reasonable upon motion by any party in interest, filed within five (5) business days of the Existing Factor and/or the DIP Lender's filing and service of notice, rendering any non-reasonable belief ineffective;

(t) If any creditor of any Debtor receives any adequate protection payment, other than as provided herein;

(u) A Change in Control occurs with respect to any Debtor;

(v) Any material impairment of the Collateral or the termination of any state or federal license or authorization or material contract;

(w) Any misrepresentation of a material fact made after the Petition Date by any Debtor or its agents to the Existing Factor and/or to the DIP Lender about the financial condition of such Debtor, the nature, extent, location or

quality of any Collateral, or the disposition or use of any Collateral, including Cash Collateral;

(x) A material default by any Debtor in reporting financial information as and when required under this Final Order;

(y) Except as set forth in paragraph 13 of this Final Order, the sale of any material portion of any Debtor's assets outside the ordinary course of business without the prior written consent of the Existing Factor and the DIP Lender, in their sole discretion (it being understood that the Suchman Sale shall not be an Event of Default or a sale that requires the prior written consent of the Existing Factor and the DIP Lender); or

(z) Any Debtor fails to comply with any of the covenants, conditions and agreements contained herein or in any other agreement, document or instrument at any time executed by such Debtor in connection herewith.

(aa) The failure of the Debtors to comply with any of the paydown milestones, or to maintain the collateral base securing the indebtedness under the Existing Factor Lien Claims as provided in paragraph 8(d) of this Final Order.

10. Limitations on the Use of Cash Collateral: From and after the date of entry of this Final Order, the proceeds of the Collateral and Cash Collateral shall not, directly or indirectly, be used to pay any expenses, payments, and/or disbursements of Debtors or incurred by Debtors except for those items which are then due, expressly permitted under the Approved DIP Budget or this Final Order, and in such amounts as clearly identified in the Approved DIP Budget and/or this Final Order (including compensation and reimbursement of expenses allowed by this Court to Court-approved professional persons to the extent that such fees and expenses are in accordance with the line items for such professionals in the Approved DIP Budget (if any)). In no event shall any costs or expenses of administration be imposed upon the Existing Factor or any of its Collateral pursuant to sections 105(a), 506(c) and/or 552 of the Bankruptcy Code or

otherwise without the prior written consent of the Existing Factor, and no such consent shall be implied from any action, inaction or acquiescence by the Existing Factor.

11. Security for the DIP Lender and under the Existing WF Credit Facility.

(a) Postpetition Liens. As security for the Obligations, pursuant to Sections 364(c)(2), (c)(3) and (d) of the Bankruptcy Code for the sole benefit of the DIP Lender, all revolving credit advances and all other Obligations of the Debtors under the DIP Credit Agreement and the other DIP Loan Documents shall be secured, until the Final Maturity Date, by valid, binding, enforceable, first priority and perfected Postpetition Liens in the DIP Collateral (which includes, without limitation, the proceeds of any avoidance actions under Chapter 5 of the Bankruptcy Code), subject only to (i) the Carve-Out, and (ii) Liens of the Existing Factor, it being agreed, however, that the DIP Lender shall have first priority and perfected Postpetition Liens senior to the Liens of the Existing Factor in the Debtors' leasehold interests in real estate (the exceptions in subsections (i) and (ii) are referred to herein collectively as, the "Exceptions"). For clarification purposes, it is understood that the Postpetition Liens are not intended to prime any of the first priority liens of the Existing Factor but are priming the Liens granted pursuant to the Existing WF Credit Facility.

(b) In consideration for the consent to subordinate the Liens granted pursuant to the Existing WF Credit Facility to the Liens of the DIP Lender, and the agreement for the Debtors to use its Cash Collateral, (a) the Liens granted pursuant to the Existing WF Credit Facility shall be deemed valid, enforceable, perfected, and secured third priority Liens and (b) as adequate protection for any Diminution in Value, the Debtors hereby grant, assign and pledge to

the Existing WF Facility Agent and the Existing WF Facility Lenders, Post-Petition Replacement Liens on all of the Collateral whether acquired before or after the Petition Date, whether existing or hereafter acquired, created or arising, and all products and proceeds thereof, including all accessions thereto, substitutions and replacements therefor, wherever located, including accounts receivable. Upon entry of this Final Order, the Liens and security interests granted to the Existing WF Facility Agent and the Existing WF Lenders as adequate protection shall be valid, perfected and enforceable against the Collateral without further filing or recording of any document or instrument or the taking of any further action and subject only to the Liens (including the Post-Petition Replacement Liens) granted to the Existing Factor and the Postpetition Liens granted to the DIP Lender.

Except as expressly set forth in this Final Order, the foregoing Liens referenced in this Paragraph 11 shall at all times be senior, and the Debtors shall not seek to subordinate such Liens, to (i) the rights of the Debtors and any successor trustee or estate representative in the Chapter 11 Cases and any subsequent proceedings under the Bankruptcy Code, including, without limitation, any Chapter 7 proceedings if any of the Chapter 11 Cases are converted to a case under Chapter 7 of the Bankruptcy Code (collectively, the "Successor Case"), (ii) any intercompany claim of any Debtor or any subsidiary or affiliate of any Debtor, (iii) any Lien of any creditor or other party in interest in these Chapter 11 Cases or any Successor Case, (iv) any Lien which is avoided or otherwise preserved for the benefit of any Debtors' Estates under Section 551 or any other provision of the Bankruptcy Code, and (v) any Liens granted on or after the Petition Date to provide adequate protection to any party except the Existing Factor, but only up to the amount of

the outstanding Obligations to the Existing Factor as of the Petition Date plus such amounts necessary to reimburse the Existing Factor for its reasonable professional fees herein. The term "DIP Collateral" shall include any and all prepetition and postpetition assets and properties (which terms shall for the purposes of this Final Order have the broadest meanings possible including, without limitation, tangible, intangible, real, personal and mixed) of each of the Debtors of any kind or nature, whether now existing, newly acquired or arising or hereafter acquired or arising, and wherever located, including, without limitation, the "Prepetition Collateral" (which shall include all collateral in connection with the Existing Factoring Agreements, Existing Factoring Facility, and the Existing WF Credit Facility and any other collateral provided under any Prepetition Credit Agreements that existed as of the Petition Date and all prepetition and, subject to Section 552 of the Bankruptcy Code, and postpetition proceeds, products, offspring, rents and profits thereof), and all accounts, accounts receivable, chattel paper, inventory, machinery, equipment, contract rights, goods, fixtures, intellectual property and other general intangibles, intercompany notes, investment property, owned and leased real property, causes of action, cash, deposit accounts, securities, securities accounts and all proceeds (including, without limitation, proceeds of any avoidance actions under Chapter 5 of the Bankruptcy Code but not the avoidance actions themselves) and products of all of the foregoing.[2]

[2] For the avoidance of doubt, any Liens granted under this Final Order, including, without limitation, the Post-Petition Replacement Liens and Postpetition Liens, shall not be direct Liens on the Debtors' leases of real property unless such Liens are permitted pursuant to the underlying lease documents but such Liens shall be fully perfected Liens on any and all proceeds of such leases (without the need for the DIP Lender, the Existing Factor or the Existing WF Facility Lenders to take any further actions in connection therewith). Nothing contained herein shall be construed as prejudicing any landlord's or the Debtors' rights to assert or dispute the termination of any lease of real property.

(c) Superpriority Claims. All Postpetition Obligations, subject only to the Carve-Out, hereby constitute under Section 364(c)(1) of the Bankruptcy Code allowed superpriority administrative expense claims against each of the Debtors (jointly and severally) having priority over all administrative expenses of the kind specified in, or ordered pursuant to, any provision of the Bankruptcy Code, including, without limitation, those specified in, or ordered pursuant to, Sections 105, 326, 328, 330, 503(b), 506(c), 507(a), 507(b), 546(c), and, to the extent permitted by law, Sections 726 and 1114 or any other provision of the Bankruptcy Code or otherwise, and shall at all times be senior to the rights of the Debtors, the Debtors' Estates and any successor trustee or estate representative in the Chapter 11 Cases or any Successor Case (the "Superpriority Claims"). Except as set forth in the preceding sentence and except for the Carve-Out, no cost or expense of administration under any provision of the Bankruptcy Code, including, but not limited to, Sections 105, 326, 328, 330, 331, 363, 364, 503, 506, 507, 546, 726, 1113 or 1114 or any other provision of the Bankruptcy Code or otherwise (whether incurred in these Chapter 11 Cases and any Successor Case), shall be senior to, equal to, or *pari passu* with, the Superpriority Claims. Notwithstanding the foregoing, any superpriority administrative expense claims granted hereunder shall be subordinate to the Existing Factor Lien Claims.

(d) Restrictions on Liens. Except for the Exceptions, the Postpetition Liens shall not be (i) subject to any Lien that is avoided and preserved for the benefit of the Debtors' Estates under Section 551 of the Bankruptcy Code (including, for the avoidance of doubt, as a result of the avoidance, disallowance, termination or setting aside, by this Court or otherwise, of

any obligations under the Prepetition Credit Agreements), or (ii) subordinated to or made *pari passu* with any other Lien under Section 364(d) of the Bankruptcy Code or otherwise. Except as expressly set forth herein with respect to the Carve-Out and the Existing Factor Lien Claims, no claim or Lien having a priority superior to or *pari passu* with those granted by this Final Order with respect to the Obligations shall be granted or allowed until the indefeasible payment in full in cash and satisfaction in the manner provided in the Postpetition Loan Documents of the Obligations.

12. Professional Fees; Carve-Out. As used in this Final Order, "Carve-Out" means claims relating to the Agreed Administrative Expense Priorities defined in the DIP Credit Agreement subject to the Carve Out Notice. Notwithstanding anything set forth herein, the Carve-Out shall not include any other claims that are or may be senior to or *pari passu* with any of the Carve-Out or any professional fees and expenses of a Chapter 7 trustee and, provided, further, that Carve-Out shall not include any fees or disbursements (A) arising after the conversion of either or both of the Chapter 11 Cases to a case under Chapter 7 of the Bankruptcy Code, or (B) related to the investigation of, preparation for, or commencement or prosecution of, any claims or proceedings against the Existing Factor, Suchman, LLC (in its capacity as the DIP Lender and as successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility), the Existing WF Credit Agent or the Existing WF Credit Lenders or in any way relating to the Existing Factoring Agreement, the Existing WF Credit Facility or their respective claims or Liens whether under the DIP Credit Agreement or any other DIP Loan Document or any of the Prepetition Credit Agreements, or instruments entered into in

connection with the foregoing other than fees or disbursements of the Committee in connection with such an investigation in an amount not to exceed $25,000. Any payment or reimbursement made either directly by the DIP Lender at any time, or by or on behalf of the Debtors on or after the occurrence of an Event of Default or the Final Maturity Date shall permanently reduce the Carve-Out Cap on a dollar-for-dollar basis. The DIP Lender's obligation to fund or otherwise pay any fees or expenses under the Carve-Out shall be added to and made a part of the Postpetition Obligations, secured by the Postpetition Collateral, and entitle the DIP Lender to all of the rights, claims, liens, priorities and protections under this Final Order, the DIP Loan Documents, the Bankruptcy Code or applicable law. For avoidance of doubt, the Existing Factor Lien Claims shall be subordinate and subject to the Carve-Out**, provided that any claims of the Debtors' Chief Restructuring Officer included within the Carve-Out shall be subordinate and subject to the Existing Factor Liens**. Payment of any fees or expenses under the Carve-Out, whether by or on behalf of the DIP Lender or the Debtors, shall not and shall not be deemed to reduce the Obligations, and shall not and shall not be deemed to subordinate any of the DIP Lender's liens and security interests in the Postpetition Collateral or their Superpriority Claims to any junior pre- or postpetition lien, interest or claim in favor of any other party. Except as otherwise provided herein with respect to the Carve-Out and the reasonable professional fees of the Existing Factor (which shall, for the avoidance of doubt, include budgeted professional fees and expenses), the DIP Lender shall not, under any circumstance, be responsible for the direct payment or reimbursement of any fees or disbursements of any professionals incurred in connection with the Chapter 11 Cases under any chapter of the Bankruptcy Code, and nothing in this Final Order shall

be construed to obligate the DIP Lender in any way, to pay compensation to or to reimburse expenses of any professional, or to ensure that the Debtors have sufficient funds to pay such compensation or reimbursement.

13. Asset Dispositions. Except with respect to a Suchman Sale, the Debtors shall immediately pay, or cause to be paid to the Existing Factor for the Existing Factor Lien Claims and, after payment in full thereof, to the DIP Lender for application to the Postpetition Obligations, to the extent required by, and in the order set forth in, the DIP Credit Agreement, the required portion of the proceeds of any sale, lease or other disposition of any DIP Collateral outside of the ordinary course of business and shall comply with all other provisions in the DIP Loan Documents and this Final Order in connection with any such sale, lease or other disposition. Except to the extent otherwise expressly provided in the DIP Loan Documents, the Debtors shall not sell or otherwise dispose of any DIP Collateral outside the ordinary course of business without the prior written consent of the DIP Lenders (unless permitted in the DIP Credit Agreement) and an order of the Court after notice and a hearing. As provided in the DIP Credit Agreement, the Debtors and the DIP Lender shall enter into a Stalking Horse APA for the sale of substantially all of the Debtors' assets to Suchman, LLC. The DIP Lender and Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders are hereby granted the right to credit bid the entirety of each of their Claims relating to the DIP Credit Agreement and the WF Credit Facility (respectively and collectively) in connection with the Stalking Horse APA. The rights of the DIP Lender and Suchman, LLC to credit bid all or any portion of the obligations

under the DIP Credit Agreement or the obligations under the Existing WF Credit Facility shall be preserved through the closing of such sale.

14. Further Assurances; Indemnities. On notice to the Existing Factor before execution and delivery, the Debtors shall execute and deliver to the DIP Lender all such agreements, financing statements, instruments and other documents as the DIP Lender may reasonably request to evidence, confirm, validate or perfect the Liens granted pursuant hereto, and shall provide copies of all such executed and delivered documents to counsel for the Existing Factor. Further, the Debtors are authorized and directed to do and perform all acts, to make, execute and deliver all instruments and documents (including, without limitation, the execution of additional security agreements, pledge agreements, control agreements, mortgages and financing statements), and shall pay fees, costs and expenses that may be required or necessary for the Debtors' performance under the DIP Loan Documents, including, without limitation, (i) the execution of the DIP Loan Documents, and (ii) the payment of the fees, costs and other expenses described in the DIP Loan Documents as such become due. None of the reasonable attorneys', financial advisors' and accountants' fees and disbursements incurred by the Existing Factor or the DIP Lender and reimbursable by the Debtors shall be subject to the approval of this Court or the U.S. Trustee guidelines, and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with this Court; provided however, that the DIP Lender and the Existing Factor shall provide notice to the Debtors, the Office of the United States Trustee, and any Committee of the amount of fees it intends to pay its professionals and such notice parties shall have five (5) business days to object to such payment and shall set the

matter for hearing within five (5) business days of such objection if the Existing Factor or DIP Lender, as applicable, and the objecting party cannot resolve the objection. In addition, the Debtors are hereby authorized and directed to indemnify the DIP Lender against any liability arising in connection with the DIP Loan Documents to the extent provided in the DIP Loan Documents. All such fees, expenses and indemnities of the DIP Lender shall constitute Postpetition Obligations and shall be secured by the Postpetition Liens and afforded all of the priorities and protections afforded to the Postpetition Obligations under this Final Order and the other DIP Loan Documents.

15. Perfection of Liens. All Postpetition Liens on or in the DIP Collateral granted by this Final Order and the DIP Loan Documents shall be, and they hereby are, deemed duly perfected and recorded under all applicable federal or state or other laws as of the date hereof, and no notice, filing, mortgage recordation, possession, further order, or other act, shall be required to effect such perfection; provided, however, that notwithstanding the provisions of Section 362 of the Bankruptcy Code, (i) the DIP Lender may, at its sole option, file or record or cause the Debtors to execute, file or record, at the Debtors' expense, such UCC financing statements, notices of Liens and security interests, mortgages and other similar documents or obtain landlord or warehousemen Lien waivers or other third party consents as such agent may require, and (ii) the DIP Lender may, at its sole discretion, require the Debtors to deliver to such agent any chattel paper, instruments or securities evidencing or constituting any DIP Collateral, and the Debtors are directed to cooperate and comply therewith. If the DIP Lender, in its sole discretion, shall elect for any reason to cause to be obtained any landlord or warehousemen Lien

waivers or other third party consents or cause to be filed or recorded any such notices, financing statements, mortgages or other documents with respect to such Liens, or if the DIP Lender, in its sole discretion, shall elect to take possession of any DIP Collateral, all such landlord or warehousemen Lien waivers or other third party consents, financing statements or similar documents or taking possession shall be deemed to have been filed or recorded or taken in these Chapter 11 Cases as of the Petition Date but with the priorities as set forth herein. Subject to Paragraph 13 below, neither the granting of the Liens in the DIP Collateral pursuant to this Final Order nor the exercise of any rights or remedies in connection therewith will result in any breach, violation or infringement of (i) any trademark, copyright or other intellectual property right of the Debtors or any third party, or (ii) any contract to which the Debtors or any of their properties are subject. In the event the DIP Lender elects to direct the Debtor to execute, file or record any financing statement, notice, mortgage or similar document, or requires the Debtor to deliver any chattel paper, instrument or security, or takes any other action contemplated in this paragraph, notice shall first be given to the Existing Factor and the Debtors shall only take such actions if the rights and first-priority status of the Existing Factor Lien Claims are clearly noted and preserved.

16. Default Under Other Documents. The DIP Lender and the Existing Factor shall have all rights and remedies with respect to the Debtors, the use of Cash Collateral and the Postpetition Liens and claims granted herein and in the DIP Loan Documents as are set forth in this Final Order. Notwithstanding anything to the contrary contained in any prepetition or postpetition agreement, contract, document, note or instrument to which any Debtor is a party or under which any Debtor is obligated, except as otherwise provided herein, any provision that

restricts, limits or impairs in any way any Debtor from granting the DIP Lender Liens or any other Postpetition Liens authorized herein upon any of its assets or properties or otherwise entering into and complying with all of the terms, conditions and provisions of this Final Order and the DIP Loan Documents shall be unenforceable against such Debtor, and therefore, shall not adversely affect the validity, priority or enforceability of the Postpetition Liens, claims, rights, priorities and/or protections granted to such parties pursuant to this Final Order.

17. Waiver of DIP Rights; 506(c) Waiver. Each of the Debtors and their Estates irrevocably waives, and any party in interest acting by, through or on behalf of the Debtors or the Estates, are barred from asserting or exercising, any right, (a) without the prior written consent of the DIP Lenders, the Existing Factor, and Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders; or (b) without prior payment and satisfaction in full of the Existing Factor Lien Claims, the Postpetition Obligations in accordance with the DIP Credit Agreement, and the Existing WF Credit Facility: (i) to grant or impose, or request that the Court grant or impose, under Section 364 of the Bankruptcy Code or otherwise, Liens on any DIP Collateral or Cash Collateral, equal or superior to the DIP Lender's Liens on such DIP Collateral; (ii) to use Cash Collateral (other than as provided in this Final Order); (iii) to return any of its Inventory to any of its creditors for application against any prepetition indebtedness under Section 546(h) of the Bankruptcy Code or allow any creditor to take any setoff or recoupment against any of its prepetition indebtedness based upon any such return pursuant to Section 553(b)(1) of the Bankruptcy Code or otherwise if, after giving effect to any such agreement, setoff or recoupment, the aggregate amount of prepetition indebtedness

subject to all such agreements, setoffs and recoupments since the Petition Date would exceed $50,000; or (iv) to modify or affect any rights granted under this Final Order, the DIP Credit Agreement or the other DIP Loan Documents by any plan of reorganization confirmed in these Chapter 11 Cases or any order entered in these Chapter 11 Cases. In consideration of the Existing Factor's, the DIP Lender's, and Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders' undertakings in and pursuant to this Final Order and the consideration provided by the Existing Factor, the DIP Lender, and Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders, and, subject to the terms and conditions of the Final Order, other than as provided for in the Carve-Out and the Exceptions, no costs or expenses of administration or other charge, Lien, assessment or claim incurred at any time (including, without limitation, any expenses set forth in the Approved DIP Budget) by the Debtors or any other person or entity shall under any existing or hereafter occurring circumstances be imposed against the DIP Lender, Suchman, LLC, the Existing WF Facility Agent, the Existing WF Facility Lender, the Existing Factor under the Existing Factoring Agreement for the Existing Factoring Facility, their claims, or their collateral under Section 506(c) of the Bankruptcy Code or otherwise, and it is expressly understood by all parties that in making all such undertakings and proceeding in compliance with this Final Order, the DIP Lender, Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders, and the Existing Factor have relied on the foregoing provisions of this sentence. Nothing in this Final Order shall constitute the consent by the DIP Lender, Suchman, LLC as the successor to the Existing WF Facility Agent and the Existing WF Facility Lenders, the Existing

WF Facility Agent, the Existing WF Facility Lender, and the Existing Factor to the imposition of any costs or expense of administration or other charge, Lien, assessment or claim (including, without limitation, any amounts set forth in the Approved DIP Budget) against the DIP Lender, Suchman, LLC, the Existing WF Facility Agent, the Existing WF Facility Lender, and the Existing Factor, their claims or their collateral under Section 506(c) of the Bankruptcy Code or otherwise. The DIP Lender, Suchman, LLC, the Existing WF Facility Agent, the Existing WF Facility Lender, and the Existing Factor shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of their Collateral.

18. Remedies.

(a) Automatic Stay. The automatic stay provisions of Section 362 of the Bankruptcy Code are hereby vacated and modified to the extent necessary to permit the Existing Factor and the DIP Lender to exercise, upon the occurrence of the Termination Date (as defined below), without further application and motion to, hearing before, or order from, the Bankruptcy Court, the following rights and remedies: (i) the DIP Lender may suspend the DIP Facility with respect to additional revolving credit advances, whereupon any additional revolving credit advances shall be made or incurred in the DIP Lender's sole and absolute discretion; (ii) the Existing Factor and the DIP Lender may, except as otherwise expressly provided in the DIP Credit Agreement, increase the rate of interest applicable to the Existing Factor Lien Claims, and the Loans to any applicable Default Rate; and (iii) the DIP Lender and, as applicable, the Existing Factor may: (A) terminate the DIP Facility with respect to further revolving credit advances or the incurrence of further Obligations; (B) reduce the Revolving Credit Commitment from time to

time; (C) declare all or any portion of the Existing Factor Lien Claims and the Postpetition Obligations, including all or any portion of any Loan, to be forthwith due and payable, all without presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Debtors; and (D) terminate the consent of the Existing Factor and the DIP Lender to use its Cash Collateral. The Existing Factor or the DIP Lender, as the case may be, shall provide notice of an Event of Default simultaneously to counsel to the Committee and the U.S. Trustee. In the event that the Termination Date arises from one or more of the Events of Default set forth herein or in the DIP Credit Agreement, the Debtors, the Committee or the U.S. Trustee may within three (3) business days of their receipt of notice of an Event of Default set the matter for hearing before the Court for the sole purpose of disputing whether an Event of Default has occurred.

(b) No Waiver. The failure or delay by the Existing Factor or the DIP Lender to seek relief or otherwise exercise their rights and remedies under this Final Order, under the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations, or any other DIP Loan Documents shall not constitute a waiver of any of the applicable rights of the Existing Factor or the DIP Lender, and any single or partial exercise of such rights and remedies against any Debtor, Cash Collateral or DIP Collateral shall not be construed to limit any further exercise of such rights and remedies against any or all of the other Debtors and/or Cash Collateral and/or DIP Collateral; provided, however, that except as set forth in paragraph 18(a), nothing contained herein shall be deemed to be a modification of the automatic stay.

(c) Access to Leased Premises. Notwithstanding anything to the contrary in this Final Order or the DIP Loan Documents, upon the occurrence of a Termination Date, the rights of the Existing Factor or DIP Lender to enter onto the Debtors' leased premises shall be limited to (i) any such rights agreed to in writing by the applicable landlord in favor of the Existing Factor or DIP Lender or their designee, whether before or after the Petition Date, including, without limitation, in the governing lease agreement itself or in any landlord waiver or similar agreement), (ii) any rights that Existing Factor and/or DIP Lender have under applicable non-bankruptcy law, if any, or (iii) such rights as may be granted by the Court following an expedited hearing on a separate motion with not less than five (5) business days' notice to the applicable landlords of the leased premises.

(d) Access to Intellectual Property. Notwithstanding anything contained herein to the contrary, and without limiting any other rights or remedies of the Existing Factor and DIP Lender contained in this Final Order, under the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations, or the DIP Loan Documents, or otherwise available at law or in equity, and subject to the terms of the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations and the DIP Loan Documents, upon five (5) business days' written notice to the Debtors, the Committee and the U.S. Trustee, and any licensor of any licensed intellectual property that an Event of Default under the DIP Loan Documents or a default by the Debtors of any of its obligations under this Final Order has occurred and is continuing, the Existing Factor or the DIP Lender, as applicable shall be entitled to all of the Debtors' rights and privileges as licensee under

the applicable license and to use any and all trademarks, trade names, copyrights, licenses, patents or any other similar assets of the Debtors, which are owned by or subject to a lien of any third party and which are used by Debtors in its businesses, without interference from licensors thereunder, subject to such licensors' rights under applicable law, provided, however, that the Existing Factor or the DIP Lender, as applicable, shall pay only royalties or other obligations of the Debtors that first arise after the Existing Factor or DIP Lender's written notice referenced above and that are payable during the period of such use by the Existing Factor or DIP Lender, as the case may be, calculated on a per diem basis.

19. Restriction on Use of DIP Lender's Funds. None of the Loan Parties shall be permitted to use the proceeds of the DIP Facility or Cash Collateral: (a) for the payment of interest and principal with respect to any debt, (b) to finance in any way any adversary action, suit, arbitration, proceeding, application, motion, other litigation, examination or investigation of any type relating to or in connection with the Prepetition Credit Agreements, including, without limitation, any challenges to the Existing WF Credit Facility and the Existing Factoring Agreements, or the validity, perfection, priority, or enforceability of any Lien securing such claims or any payment made thereunder, (c) to finance in any way any action, suit, arbitration, proceeding, application, motion, other litigation, examination or investigation of any type adverse to the interests of the Existing Factor, Suchman, LLC, the Existing WF Facility Agent, the Existing WF Facility Lenders, the DIP Lender or their rights and remedies under the DIP Credit Agreement, the other DIP Loan Documents or this Final Order without the prior written consent of the DIP Lender and the Existing Factor, (d) to make any distribution under a

plan of reorganization in any Chapter 11 Case, and (e) to make any payment (in the aggregate, together with all other such payments) in excess of Fifty Thousand Dollars ($50,000) in settlement of any claim, action or proceeding, before any court, arbitrator or other governmental body without the prior written consent of the Existing Factor and the DIP Lender; provided that nothing in this subclause (e) shall prevent the Debtors from assuming or curing executory contracts and unexpired leases subject to an order of the Bankruptcy Court if otherwise permitted by the DIP Credit Agreement; provided further that nothing in this paragraph shall prevent the Committee from incurring up to $25,000 in fees and disbursements that may be reimbursed with proceeds of the DIP Loans for purposes of investigation of any claims against (i) the DIP Lender or its claims or Liens whether under the DIP Credit Agreement or any other DIP Loan Document, and (ii) under the Existing WF Credit Facility or instruments entered into in connection with the foregoing.

20. Release of Claims and Defenses.

(a) Except as to claims, causes of action and defenses arising hereunder, the Debtors hereby release and discharge the DIP Lender, Suchman, LLC, the Existing WF Facility Lenders, the Existing Factor and the Existing WF Facility Agent, together with their respective affiliates, agents, attorneys, officers, directors, managers and employees, and successors and assigns (collectively, the "Released Parties") in all capacities, from any and all claims and causes of action arising out of, based upon or related to, in whole or in part, (i) any of the Existing WF Credit Facility or instruments entered into in connection with the foregoing or the Existing Factor Lien Claims, (ii) any aspect of the prepetition **lending** relationship between

the Debtors, on the one hand, and any or all of the Released Parties, on the other hand, relating to any transaction contemplated thereby, (iii) the negotiation of the DIP Loan Documents or any transaction contemplated thereby, or (iv) any other acts or omissions by any or all of the Released Parties in connection with the Existing WF Credit Facility or the Existing Factor Lien Claims or instruments entered into in connection or their prepetition relationship with such Debtors or any Affiliate (as defined in the Bankruptcy Code) thereof relating to the Existing WF Credit Facility or instruments entered into in connection with the foregoing or any transaction contemplated thereby, including, without limitation, any claims or defenses as to the extent, validity, priority, or enforceability of the Existing Factor Lien Claims or of the Existing WF Credit Facility or instruments entered into in connection with the foregoing, any claims or defenses under Chapter 5 of the Bankruptcy Code or any other causes of action (collectively, the "Claims and Defenses").

(b) Notwithstanding anything contained herein to the contrary (but in all events subject to the restrictions applicable to the Debtors set forth in this Final Order), the extent, validity, priority, perfection and enforceability of the Existing WF Credit Facility or instruments entered into in connection with the foregoing are for all purposes subject to the rights of any party in interest, other than the Debtors, to file a complaint pursuant to Bankruptcy Rule 7001, seeking to invalidate, subordinate or otherwise challenge any of the Existing WF Credit Facility or instruments entered into in connection with the foregoing; provided, however, that such complaint must be filed in this Court before the earlier to occur of (i) five (5) business days prior to the first day on which a hearing to consider confirmation of a plan of reorganization is scheduled by this Court and (ii) June 9, 2014, which date is sixty (60) days from the appointment of the Committee.

If no such complaint is timely filed within the period set forth in the preceding sentence (or such timely filed complaint does not result in a final and non-appealable order of this Court that is inconsistent with clauses (i) through (iv) of paragraph 20(c)), then all Claims and Defenses against the Released Parties shall be, without further notice or order of the Court, deemed to have been forever relinquished, released and waived as to such committee and other person or entity, and if such complaint is timely filed on or before such date, all Claims and Defenses shall be deemed, immediately and without further action, to have been forever relinquished, released and waived as to such committee and other person or entity, except with respect to Claims and Defenses that are expressly asserted in such complaint.

(c) If no such complaint is timely filed within the period described above in paragraph 20(b), or such timely filed complaint does not result in a final and non-appealable order of this Court that is inconsistent with clauses (i) through (iv) of this paragraph, then, without the requirement or need to file any proof of claim with respect thereto, (i) the Existing WF Credit Facility shall constitute allowed claims for all purposes in the Chapter 11 Cases and any Successor Case, (ii) the Existing WF Credit Facility Liens shall be deemed legal, valid, binding, enforceable, perfected, not subject to subordination or avoidance for all purposes in the Chapter 11 Cases and any Successor Case, (iii) the Existing Factor Lien Claims shall constitute allowed, first-priority secured claims for all purposes in the Chapter 11 Cases and any Successor Case and shall be deemed valid, binding, enforceable, perfected and not subject to subordination or avoidance for all purposes in the Chapter 11 Cases and any Successor Case, (iv) the release of the Claims and Defenses shall be binding on all parties in interest in the Chapter 11 Cases and

any Successor Case, and (v) the Existing WF Credit Facility, the Obligations thereunder and the Liens associated therewith, the releases of the Claims and Defenses, and prior payments relating thereto shall not be subject to any other or further claim, cause of action, objection, contest, setoff, defense or challenge by any party in interest for any reason, including, without limitation, any successor to or estate representative of the Debtors.

21. Termination of DIP Loans and Use of Cash Collateral; Term of DIP Credit Agreement. The Debtors' authorization to use the Existing Factor's and Suchman LLC's Cash Collateral shall immediately and automatically terminate (except as the Existing Factor or the DIP Lender, as applicable, may otherwise agree in writing), and all amounts owed pursuant to the Existing Factor Lien Claims and the Postpetition Obligations shall be immediately due and payable in cash (except as the Existing Factor or the DIP Lender, as applicable, may otherwise agree in writing) upon the first date on which any of the following occur (the "Termination Date"):

(a) the occurrence of the Final Maturity Date;

(b) any of the Events of Default described herein or in the DIP Credit Agreement occurs;

(c) the Existing Factor or the DIP Lender provides notice to the Debtors or their counsel of any other Event of Default herein or under the DIP Credit Agreement or any other DIP Loan Document;

(d) the Existing Factor or the DIP Lender provides notice to the Debtors or their counsel of any breach by the Debtors of any terms or conditions of this Final Order,

including, without limitation, those terms and conditions specified in this Final Order regarding compliance with any Approved DIP Budget and timely repayment of the Existing Factor Lien Claims and the Postpetition Obligations; or

(e) any of the Debtors shall assert that any of the terms or conditions of this Final Order are not valid and binding.

Upon the maturity (whether by acceleration or otherwise) of any of the Existing Factor Lien Claims or the Postpetition Obligations or any of the DIP Loan Documents, the Existing Factor and/or the DIP Lender, as applicable, shall be entitled to immediate payment of such obligations without further application to or order of this Court. Notwithstanding anything herein or in the other DIP Loan Documents, on the Termination Date, the Debtors shall no longer, pursuant to this Final Order, the other DIP Loan Documents or otherwise, be authorized to borrow funds or incur indebtedness hereunder or under the DIP Loan Documents or to use Cash Collateral (subject to the proviso below) or any proceeds of the Postpetition Obligations already received (and any obligations of the DIP Lender to make loans or advances hereunder or under the other DIP Loan Documents automatically shall be terminated); provided, however, the Debtors, the Committee or the U.S. Trustee may within three (3) business days of receipt of notice of an Event of Default set the matter for hearing before the Court for the sole purpose of disputing whether an Event of Default has occurred and the Debtors shall be permitted to continue to use Cash Collateral solely in accordance with the Approved DIP Budget until the Court rules.

22. No Requirement to Accept Title to Collateral. The Existing Factor and DIP Lender shall not be obligated to accept title to any portion of the Cash Collateral or the DIP

Collateral in payment of any of the Existing Factor Lien Claims or the Postpetition Obligations, in lieu of payment in cash or cash equivalents, nor shall the Existing Factor or DIP Lender be obligated to accept payment in cash or cash equivalents that is encumbered by any interest of any person or entity other than the Existing Factor or DIP Lender, as applicable.

23. Authorized Signatories. The signature of the Debtors' attorneys, appearing on any one or more of the DIP Loan Documents shall be sufficient to bind the Debtors. No board of directors or other approval shall be necessary.

24. Survival. Any Liens and claims granted hereunder shall survive the Termination Date and shall continue until payment in full in cash of the Obligations. Any actions taken pursuant hereto shall survive entry of any order which may be entered converting these Chapter 11 Cases to Chapter 7 cases, or dismissing these Chapter 11 Cases, or any order which may be entered confirming or consummating any plan(s) of reorganization or liquidation, and the terms and provisions of this Final Order, as well as the priorities in payment, Liens granted pursuant to this Final Order shall continue in this or any superseding case under the Bankruptcy Code.

25. Final Order Binding; Successors. The provisions of this Final Order shall be binding upon and inure to the benefit of the DIP Lender, the Existing WF Facility Agent, the Existing WF Facility Lenders, the Existing Factor, the Debtors and their respective successors and assigns (including any trustee or other estate representative appointed as a representative of the Debtors' Estates or of any estate in any Successor Case). Except as otherwise explicitly set forth

in this Final Order, no third parties are intended to be or shall be deemed third party beneficiaries of this Final Order or the DIP Loan Documents.

26. Section 364(e); Effect of Modification of Final Order. Having been found to be making Loans and other financial accommodation to, and permitting the use of Cash Collateral by, the Debtors in good faith, the Existing Factor, the DIP Lender and Suchman LLC (in its capacity as the DIP Lender and as successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility) shall be entitled to the full protection of Section 364(e) of the Bankruptcy Code with respect to the Obligations under the Existing Factor Lien Claims, the DIP Credit Agreement, the Existing WF Credit Facility and the Liens and priorities created or authorized by this Final Order in the event that this Final Order or any authorization contained herein is stayed, vacated, reversed or modified on appeal. Each of the terms and conditions set forth in this Final Order constitutes a part of the authorization under Section 364, and is therefore, subject to the protections contained in Section 364(e) of the Bankruptcy Code. Any stay, modification, reversal or vacatur of this Final Order shall not affect the validity of any Postpetition Obligations outstanding immediately prior to the effective time of such stay, modification or vacatur, or the validity or enforceability of any Lien, priority, right, privilege or benefit authorized hereby. Notwithstanding any such stay, modification or vacatur, any Postpetition Obligations outstanding immediately prior to the effective time of such modification, stay or vacatur shall be governed in all respects by the original provisions of this Final Order, and the Existing Factor and the DIP Lender shall be entitled to all of the rights,

privileges and benefits, including, without limitation, the Liens and priorities granted herein, with respect to all such Postpetition Obligations.

27. Effect of Plan. The Liens, rights and remedies granted to the Existing Factor and the DIP Lender pursuant to this Final Order and the DIP Loan Documents (and granted to Suchman, LLC as successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility) shall not be modified, altered or impaired in any manner by any plan of reorganization for the Debtors except to the extent that (a) it contains a provision for termination of the DIP Lender's lending commitments and repayment in full in cash of all of the Postpetition Obligations under the DIP Credit Agreement on or before the effective date of such plan, or (b) with the consent of the Existing Factor and the DIP Lender.

28. No Waiver. The rights and obligations of the Debtors and the rights, claims, Liens, and priorities of the Existing Factor and Suchman, LLC as successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility arising under this Final Order are in addition to, and not intended as a waiver or substitution for, the rights, obligations, claims, Liens, and priorities granted by Debtors under the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations and the Existing WF Credit Facility. The failure, at any time or times hereafter, by either the Existing Factor, Suchman, LLC or the DIP Lender to require strict performance by the Debtors (or by any Chapter 7 or Chapter 11 trustee or representative of the Estates hereinafter appointed in these Chapter 11 Cases or any Successor Cases) of any provision of this Final Order, the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements

and obligations, the Existing WF Credit Facility, or the DIP Loan Documents shall not waive, affect or diminish any right of the Existing Factor, Suchman, LLC or the DIP Lender hereafter to demand strict compliance and performance therewith. No delay on the part of the Existing Factor, Suchman, LLC or the DIP Lender in the exercise of any right or remedy under this Final Order, the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations, the Existing WF Credit Facility or DIP Loan Documents shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. None of the rights or remedies of the Existing Factor, Suchman, LLC or the DIP Lender under this Final Order, the Existing Factoring Agreements and the Existing Factoring Facility and any related agreements and obligations, the Existing WF Credit Facility or DIP Loan Documents shall be deemed to have been suspended or waived by the Existing Factor, Suchman, LLC in its capacity as successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility or the DIP Lender unless such suspension or waiver is in writing, signed by a duly authorized officer of the Existing Factor, Suchman, LLC or the DIP Lender, as applicable, and directed to the Debtors specifying such suspension or waiver.

29. No Dismissal. Until all Existing Factor Lien Claims and Postpetition Obligations shall have been indefeasibly paid in full in cash and satisfied in the manner provided herein and in the DIP Loan Documents or assumed in connection with the Suchman Sale, or upon the written consent of the Existing Factor and the DIP Lender, no Debtor shall seek an order dismissing any of the Chapter 11 Cases. If an order dismissing any of the Chapter 11 Cases under Section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide

(in accordance with Sections 105 and 349(b) of the Bankruptcy Code) that (i) the claims and Liens granted pursuant to this Final Order to or for the benefit of the Existing Factor and/or the DIP Lender shall continue in full force and effect and shall maintain their priorities as provided in this Final Order until all Existing Factor Lien Claims and Postpetition Obligations shall have been indefeasibly paid in full in cash and satisfied in the manner provided herein and in the DIP Loan Documents or assumed in connection with the Suchman Sale (and that such claims and Liens shall, notwithstanding such dismissal, remain binding on all parties in interest), (ii) the claims and Liens granted pursuant to this Final Order to or for the benefit of the Existing Factor, Suchman, LLC in its capacity as successor to the Existing WF Facility Agent and the Existing WF Facility Lenders under the Existing WF Credit Facility the Prepetition Agent and Prepetition Credit Facility Lenders shall continue in full force and effect and shall maintain their priorities as provided in this Final Order (and that such claims and Liens shall, notwithstanding such dismissal, remain binding on all parties in interest), and (iii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing such claims and Liens.

30. Discharge Waiver. Except with respect to a Suchman Sale (in which case the Existing Factor Claims shall be assumed and the Postpetition Obligations and some or all of the Prepetition Obligations used to credit bid with respect to purchase of the Debtors' assets), the Postpetition Obligations and the Prepetition Obligations shall not be discharged by the entry of an order (a) confirming a chapter 11 plan in any Chapter 11 Case (and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors hereby waive such discharge) or (b) converting any Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code. Except with respect to a

Suchman Sale, under no circumstances shall any chapter 11 plan in any of the Chapter 11 Cases be confirmed or become effective unless such plan provides that any unpaid Postpetition Obligations shall be indefeasibly paid in full in cash and satisfied in the manner provided herein on or before the effective date of such plan.

31. Access to Debtor. The Debtors shall permit on reasonable notice representatives, agents and/or employees of the Existing Factor and the DIP Lender, including professionals retained by the Existing Factor and DIP Lender, to have reasonable access to their premises and records during normal business hours and shall cooperate, consult with and provide to such persons all such non-privileged information as they may reasonably request

32. Intercreditor Agreement. Pursuant to Section 510 of the Bankruptcy Code, except as otherwise set forth herein and subject to the consents set forth and described herein, the Prepetition Intercreditor Agreement remains in full force and effect.

33. Final Order Effective. The Final Order shall be effective immediately as of the date of signature by the Court.

34. Retention of Jurisdiction. The Bankruptcy Court shall retain jurisdiction to hear and determine all matters arising from this Final Order and its implementation.

35. Findings of Fact; Conclusions of Law. This Final Order shall constitute findings of fact and conclusions of law. To the extent any findings may constitute conclusions, and vice versa, they are hereby deemed as such.

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Document 2 ID	interwovenSite://CSDMS/CSDOCS/10515861/3
Description	#10515861v3<CSDOCS> - MEE - Final DIP Order
Rendering set	Unsaved rendering set

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Split/Merged cell	
Padding cell	

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EXHIBIT C

[Execution]

ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT (this "***Agreement***"), dated as of May 17, 2013, is by and among Suchman, LLC (the "***Assignee***"), Wells Fargo Bank, National Association, as Agent for the Existing Lender under the Credit Agreement (in such capacity, "***Existing Agent***"), Wells Fargo Bank, National Association, as Lender and Swingline Lender under the Credit Agreement ("***Existing Lender***"), Wells Fargo Bank, National Association, in its capacity as letter of credit issuer pursuant to the Credit Agreement ("***Existing LC Issuer***" and, together with Existing Agent and Existing LC Issuer, collectively, "***Assignors***"), MEE Apparel LLC ("***Apparel***"), MEE Direct LLC, ("***Direct***", and together with Apparel, each individually, each a "***Borrower***" and collectively, "***Borrowers***"), Holton1, Inc. ("***Holdco 1***"), Suchman, LLC ("***Holdco 2***"), Holton99, LLC ("***Holton99***") and 3TAC, LLC ("***3TAC***" and, together with ***Holdco 1, Holdco 2 and Holton99***, each individually, a "***Guarantor***" and collectively, "***Guarantors***") and Suchman, LLC.

W I T N E S S E T H:

WHEREAS, Assignors, Borrowers and Guarantors previously entered into financing arrangements pursuant to which Existing Lender made loans and advances and provided other financial accommodations to Borrowers as set forth in the (1) Credit Agreement, dated as of July 6, 2011, by and among Agent, Borrowers, Guarantors, the Lenders who are or may become a party thereto as Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "***Credit Agreement***"), and (2) the other Loan Documents (as defined in the Credit Agreement), including, without limitation, the Loan Documents listed on Exhibit A hereto. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement; and

WHEREAS, Existing Lender wishes to assign to Assignee all rights and obligations of Existing Lender under the Credit Agreement and the other Loan Documents, and Assignee wishes to accept assignment of such rights and to assume such obligations from Existing Lender, on the terms and subject to the conditions set forth herein.

. NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

1. Assignment and Acceptance.

Subject to the terms and conditions of this Agreement:

(a) Existing Lender hereby sells, transfers and assigns to Assignee, and Assignee hereby purchases, assumes and undertakes from Existing Lender without recourse and without representation or warranty of any kind, all right, title and interest of Existing Lender in and to, and all obligations and liabilities of Existing Lender under or in connection with, the Credit Agreement and the other Loan Documents, including the Commitment of Existing Lender but specifically excluding the Retained Rights (as defined below).

(b) From and after the Effective Date (as defined below), Assignee shall be a party to the Credit Agreement and succeed to all of the rights and be obligated to perform all of the

obligations of a "Lender" under the Credit Agreement and the other Loan Documents. Assignee accepts the assignment of the Loan Documents on the terms and conditions set forth herein.

(c) As of the Effective Date, Existing Lender shall relinquish its rights (other than the Retained Rights), and shall have no further obligations under, the Loan Documents.

(d) On the Effective Date, after giving effect to the assignment and assumption set forth herein, (i) the Commitment of Existing Lender shall be zero (0) and (ii) the Commitment of Assignee shall be $50,000,000.

2. Payments. As consideration for the sale, assignment and transfer contemplated in Section 1 hereof, Assignee shall pay to Existing Agent, for the benefit of Assignors, on the Effective Date in immediately available funds an amount equal to (i) $6,641,357.05 (the "***Base Price***"), plus (ii) $100,000.00 (the "***General Cash Collateral***") which shall be pledged by Assignee to Existing Agent as security for the Indemnified Obligations (as defined below) in accordance with the terms hereof, plus (iii) an amount equal to $1,100,000.00 ("***L/C Cash Collateral***" and together with the General Cash Collateral, the "***Cash Collateral***"), which shall also be pledged by Assignee to Existing Agent as security for the Indemnified Obligations. The Base Price, General Cash Collateral and L/C Cash Collateral are collectively referred to herein as the "***Purchase Price***".

3. Resignation of Existing Agent. Effective as of the Effective Date:

(a) Pursuant to the Credit Agreement, Existing Agent hereby resigns as "Agent" under the Credit Agreement and the other Loan Documents.

(b) Assignee, as the "Required Lenders" under the Credit Agreement upon the Effective Date, hereby appoints itself as "Agent" under the Credit Agreement and the other Loan Documents, and Assignee hereby accepts such appointment without recourse, representation or warranty of any kind.

(c) Each of Assignors, Assignee, Borrowers and Guarantors hereby (i) waives any notice requirement set forth in the Credit Agreement with respect the resignation of Existing Agent as "Agent" and the appointment of Assignee as successor "Agent" and (ii) consents to the appointment of Assignee as "Agent" under the Credit Agreement and the other Loan Documents.

(d) Existing Agent is hereby released from each and all of its obligations and duties as "Agent" under the Credit Agreement and the other Loan Documents (except with respect to the Cash Collateral and Retained Rights), and Assignee as the successor "Agent" succeeds to and becomes vested with all the rights, authority, powers, privileges and duties of the Agent under the Credit Agreement and the other Loan Documents (except with respect to the Cash Collateral and Retained Rights).

(e) The rights (except for the Retained Rights and those rights inuring to retiring Existing Agent's benefit pursuant to the Loan Documents that survive resignation of the Existing Agent and/or termination of the Loan Documents), authority, powers and duties of resigning Existing Agent shall be terminated, without any other or further act or deed on the part of resigning Existing Agent or any of the parties to this Agreement.

(f) From and after the date hereof, Assignee shall have the same rights, authority and powers, and the same benefits, in such capacity under the Credit Agreement and each other Loan Document, as if it were the original "Agent" thereunder.

4. Resignation of Existing LC Issuer. Effective as of the Effective Date, Existing LC Issuer hereby resigns as an "LC Issuer" under the Credit Agreement and the other Loan Documents. Each of Assignors, Assignee, Borrowers and Guarantors hereby waives any notice requirement set forth in the Credit Agreement with respect the resignation of Existing LC Issuer as "LC Issuer". Notwithstanding anything to the contrary set forth in the Loan Documents, the Existing LC need not be terminated herewith and will be subject to the terms of this Assignment and Assumption.

5. Retained Rights. Notwithstanding anything to the contrary contained in this Agreement, Assignors are not hereby assigning or relinquishing, and shall retain, their rights (a) to indemnification and reimbursement from Borrowers and Guarantors (i) under the Loan Documents (as in effect immediately prior to the Effective Date) to the extent relating to the time prior to the Effective Date or surviving the assignment or termination of the Loan Documents and (ii) under this Agreement, (b) to payment from Assignee of the Indemnified Obligations (as defined below), (c) with respect to the Existing Letters of Credit and (e) under this Agreement (collectively, the "***Retained Rights***").

6. Indemnified Obligations. Assignee shall reimburse and be liable to Assignors for, and Assignee, Borrowers and Guarantors, jointly and severally, shall indemnify, defend and hold Assignors harmless from and against, the following (collectively, the "***Indemnified Obligations***"):

(a) amounts paid or payable by Existing Agent or Existing Lender to the issuer of any Letter of Credit listed on Exhibit B hereto (the "***Existing Letter of Credit***") as a result of any draw under the Existing Letter of Credit;

(b) all letter of credit fees, charges and expenses (including bank charges and expenses) accrued and accruing in respect of the Existing Letters of Credit at the rates set forth in, and otherwise in accordance with, the Credit Agreement (as in effect immediately prior to the Effective Date);

(c) any and all actions, suits, proceedings, demands, assessments, judgments, claims, liabilities, losses, damages and reasonable out of pocket costs or expenses, including reasonable attorneys' fees and legal expenses, of the Assignors to the extent arising from or relating to (i) any action or inaction by Assignee, any Borrower or any Guarantor with respect to the Loan Documents occurring on or after the Effective Date, (ii) the assignment by Assignors to Assignee hereunder of the Loan Documents; and (iii) any breach by Borrowers, Guarantors or Assignee of any term or provision of this Agreement; and

(d) any error in the calculation of the Purchase Price resulting from any non-payment, claim, refund or dishonor of any checks or other similar items which had been credited by Assignors to the account of Borrowers or Guarantors with Assignors prior to the Effective Date that are presented within one hundred twenty (120) days of the Effective Date.

7. Cash Collateral.

(a) Indemnified Obligations. As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Indemnified Obligations, Assignee hereby irrevocably assigns, pledges, hypothecates, transfers, sets over to Existing Agent, for the benefit of itself and the other Assignors, and grants to Existing Agent, for the benefit of itself and the other Assignors, a security interest in and right to set off against the Cash Collateral. Without limiting any of the other rights of Assignors hereunder, Existing Agent may immediately apply the Cash Collateral from time to time against such Indemnified Obligations when due, and Assignee, Borrowers and Guarantors are and shall remain liable to pay any deficiency on demand.

(b) Cash Collateral as Advances. Each Borrower and Guarantor authorizes Assignee to treat, and acknowledges and agrees that Assignee shall treat, the Cash Collateral as advances to Borrowers under the Loan Documents and charge the amounts to any account of any Borrower with Assignee.

(c) Return of Cash Collateral.

(i) L/C Cash Collateral. With respect to each Existing Letter of Credit, upon the thirtieth (30th) Business Day following the return of such original Existing Letter of Credit to the Existing Agent, or the sixtieth (60th) day following the expiration thereof, Existing Agent shall return to the Assignee in immediately available funds an amount equal to 110% of the stated amount of such expired or returned Existing Letter of Credit less the amount of any Cash Collateral applied to the Indemnified Obligations in respect of such Existing Letter of Credit.

(ii) General Cash Collateral. Not later than one hundred and twenty (120) days following the Effective Date, Existing Agent shall release to Assignee an amount equal to the initial amount of the General Cash Collateral less the amount of any Cash Collateral applied to the Indemnified Obligations of the type described in Sections 6(c) - 6(d) above.

(iii) Outside Return Date. Upon the later to occur of (A) the thirtieth day (30th) day following the expiration or return of the Existing Letters of Credit to the Existing Agent, or (B) one hundred and twenty (120) days following the Effective Date, Existing Agent shall release to Assignee any then remaining Cash Collateral.

8. Existing Letter of Credit. Assignee, Borrowers and Guarantors hereby acknowledge, confirm and agree that in no event shall any Assignor have any obligation to renew or extend the Existing Letter of Credit.

9. Releases. Assignee, Mr. Seth Gerszberg ("Gerszberg") and each Borrower and Guarantor (collectively, the "Releasors" and each individually, a "Releasor"), on behalf of itself and its respective successors, assigns, administrators and other legal representatives, hereby jointly and severally, absolutely, unconditionally and irrevocably releases, remises and forever discharges Existing Agent, Existing Lender, Existing LC Issuer, and their respective predecessors, successors, assigns (including, without limitation, Assignee and its respective predecessors, successors, assigns, officers, directors, shareholders, employees and agents), officers, directors, shareholders, employees and agents (each a "Releasee" and collectively, "Releasees") from all obligations to Releasors (and their respective successors and assigns) and from any and all claims, damages, suits, judgments, expenses, demands, debts, accounts, contracts, liabilities, actions and causes of action, whether at law or in equity that any Releasor at any time had or has or hereafter can or may have against any Releasee, in each case relating in any way to this Agreement (excepting a breach of this Agreement

by such Releasee), the Loan Documents, any agreement, document or instrument executed or delivered pursuant hereto or thereto or in connection herewith or therewith, or any transaction contemplated hereby or thereby, including, without limitation, the Membership Interest Purchase Agreement, by and among Gerszberg, IP Holdings Unltd LLC, Iconix Brand Group, Inc., and Holdco 2 (the "Equity Purchase Agreement") and any agreements, documents or instruments executed and/or delivered in connection with the Equity Purchase Agreement, or transactions contemplated by any of the foregoing.

10. Continuing Indemnity of Assignee, Borrowers and Guarantors. Assignee, Borrowers and Guarantors shall indemnify and hold Assignors harmless from and against any and all actions, suits, proceedings, demands, assessments, judgments, claims, liabilities, losses, costs, damages or expenses, including attorneys' reasonable fees and legal expenses arising out of or in any way in connection with this Agreement (excepting a breach of this Agreement by Assignors), the Loan Documents, any agreement, document or instrument executed or delivered pursuant hereto or thereto or in connection herewith or therewith, or any transaction contemplated hereby or thereby.

11. Reallocation of Payments. Any interest, fees and other payments accrued prior to the Effective Date with respect to the Obligations shall be for the account of Assignors. Any interest, fees (including, without limitation, an Early Termination Fee or any future Administrative Fee) and other payments accrued on and after the Effective Date with respect to the Obligations (but not the Indemnified Obligations) shall, subject to the terms and conditions of this Agreement, be for the account of Assignee. Subject to the terms and conditions of this Agreement, each of Assignors, on the one hand, and Assignee, on the other hand, agrees that it will hold in trust for the other party any interest, fees and other amounts which it may receive to which the other party is entitled pursuant to the preceding sentence and pay to the other party any such amounts which it may receive promptly upon receipt.

12. Independent Credit Decision. Assignee (a) acknowledges that it has received a copy of the Credit Agreement and the other Loan Documents, and such other documents and information as it has deemed appropriate to make its own credit and legal analysis and decision to enter into this Agreement and (b) agrees that it will, independently and without reliance upon Assignors, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit and legal decisions in taking or not taking action under the Credit Agreement and the other Loan Documents.

13. Effective Date; Notices. The effective date of this Agreement (the "***Effective Date***") shall be the later to occur of the date of this Agreement and receipt by Existing Agent of each of the following:

(a) an original (or electronic copy) of this Agreement, duly authorized, executed and delivered by Assignors, Assignee, Borrowers and Guarantors; and

(b) cash or other immediately available funds in an amount equal to the Purchase Price.

14. Consent of Assignors, Borrowers and Guarantors. Each of Assignors, Borrowers and Guarantors hereby (a) acknowledges receipt of notice of the assignment by Existing Lender to Assignee hereunder, (b) acknowledges receipt of notice of the resignation of Existing Agent and Existing LC Issuer and (b) to the extent required by the Credit Agreement or the other Loan

Documents, consents to the assignment by Assignors to Assignee hereunder and to the transactions contemplated hereby.

15. Purchase Price Computation:

(a) Existing Agent, Existing Lender and Borrowers hereby advise Assignee that, as of the date of this Agreement, the outstanding amount of the Obligations due under the Loan Documents is as follows:

Principal	$6,525,337.25
Interest	$29,089.49
Fees (unused line and L/C fees)	$11,930.31
Additional (legal fees)	$75,000
L/C Cash Collateral	$1,100,000
General Cash Collateral	$100,000
Total	$7,841,357.05

All amounts above other than the amount indicated as "Additional (legal fees)" shall be remitted to:

Wells Fargo Bank, N.A.
420 Montgomery Street
San Francisco, CA
ABA # 121-000-248
Account Name: Wells Fargo Bank, N.A.
A/C # 37235547964500808
Ref: MEE APPAREL, LLC
Swift: WFBIUS6S

The amount indicated above as "Additional (legal fees)" shall be remitted to:

Otterbourg, Steindler, Houston & Rosen, P.C.
JPMorgan, 1211 Avenue of the Americas, New York, NY 10036
Account No.: 006-026222
ABA No.: 021 000 021
For credit to: Otterbourg, Steindler, Houston & Rosen, P.C.,
Attorney Trust Account
Reference: Wells Fargo/Marc Ecko (06758-1693)

(b) Assignors make no representation or warranty and assume no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any of the other Loan Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto. Each Assignor makes no representation or warranty in connection with, and assumes no responsibility with respect to, the solvency, financial condition or statements of any Borrower, any Guarantor or any of Affiliate of any Borrower or any Guarantor, or the performance or observance by any Borrower, any Guarantor or any other Person of any of its respective obligations under the Loan Documents or any other instrument or document furnished in connection therewith.

(c) Each of Assignee, Borrowers and Guarantors represents and warrants to Assignors that (i) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by it in connection with this Agreement, and to fulfill its obligations hereunder and (ii) this Agreement has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of such Assignee, enforceable against such Assignee in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization and other laws of general application relating to or affecting creditors' rights to general equitable principles.

16. Further Assurances.

(a) Assignors, Assignee, Borrowers, Guarantors and Gerszberg each hereby agree to execute and deliver such other instruments, and take such other action, as either party may reasonably request in connection with the transactions contemplated by this Agreement, including (i) the delivery of any notices or other documents or instruments which may be required in connection with the assignment and assumption contemplated hereby, and (ii) the execution and/or delivery by Assignors to Assignee of UCC-3 assignments, mortgage assignments and such other agreements, documents and/or instruments as may be reasonably necessary to effectuate the assignment of any Collateral or Loan Documents from Assignors to Assignee (and, to the extent applicable, in a form suitable for recording).

(b) On the Effective Date, the Existing Agent hereby authorizes Assignee or its designee to file or record any Uniform Commercial Code amendments in order to reflect the assignment of record to Assignee, as successor "Agent" under the Loan Documents, any Uniform Commercial Code financing statement naming the Borrower or the Guarantor as debtor and naming the Existing Agent as secured party.

17. Miscellaneous.

(a) Within seven (7) Business Days of the Effective Date, Existing Agent shall deliver to the Assignee all original Loan Documents in the possession of Existing Agent together with an Allonge to the Note which transfers the Note to the Assignee, without recourse.

(b) Any amendment or waiver of any provision of this Agreement shall be in writing and signed by the parties hereto. No failure or delay by either party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof and any waiver of any breach of

the provisions of this Agreement shall be without prejudice to any rights with respect to any other for further breach thereof.

(c) All payments made hereunder shall be made without any set-off or counterclaim.

(d) This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

(e) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK. The parties hereto each irrevocably submits to the non-exclusive jurisdiction of any State or Federal court sitting in New York County, New York over any suit, action or proceeding arising out of or relating to this Agreement and irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State or Federal court. Each party to this Agreement hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding.

(f) THE PARTIES HERETO EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT, THE CREDIT AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS OR ANY RELATED DOCUMENTS AND AGREEMENTS OR ANY COURSE OF CONDUCT, COURSE OF DEALING, OR STATEMENTS (WHETHER ORAL OR WRITTEN).

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

ASSIGNEE

SUCHMAN, LLC

By: _____
Name: Seth Gerszberg
Title: CEO

ASSIGNORS

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Existing Agent

By: _____
Name: _____
Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION.
as Existing LC Issuer

By: _____
Name: _____
Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Existing Lender and Swingline Lender

By: _____
Name: _____
Title: _____

BORROWERS:

MEE APPAREL LLC

By: _____
Name: Seth Gerszberg
Title: CEO

MEE DIRECT LLC

By: _____
Name: Seth Gerszberg
Title: CEO

GUARANTORS:

HOLTON1, INC.

By: _____
Name: Seth Gerszberg
Title: CEO

HOLTON99, LLC

By: _____
Name: Seth Gerszberg
Title: CEO

SUCHMAN, LLC

By: _____
Name: Seth Gerszberg
Title: CEO

3052999.5

3TAC, LLC

By: _____

Name: Seth Gerszberg

Title: CEO

Agreed and Accepted:

_____

Mr. Seth Gerszberg

EXHIBIT A
Loan Documents

1. Credit Agreement, dated as of July 6, 2011, by and among MEE Apparel LLC (the "Lead Borrower"), MEE Direct LLC ("Direct", and together with the Lead Borrower, collectively, the "Borrowers"), Holton1, Inc. ("Holdco 1"), Suchman, LLC ("Holdco 2"), Holton99, LLC ("Holton99"), 3TAC, LLC ("3TAC", and together with Holdco 1, Holdco 2 and Holton99, collectively, the "Corporate Guarantors"), Wells Fargo Bank, National Association, as agent (in such capacity, "Agent"), and the lenders from time to time party thereto (the "Lenders"); together with Amendment No. 1 and Consent to Credit Agreement, dated as of August 2, 2011 and Amendment No. 2 to Credit Agreement, dated as of October 14, 2011;

2. Promissory Note, dated as of July 6, 2011, by Borrowers in favor of Wells Fargo Bank, National Association, as Lender, in the original principal amount of $40,000,000;

3. Security Agreement, dated as of July 6, 2011, by Borrowers, Corporate Guarantors and Seth Gerszberg (the "Individual Guarantor", and together with the Corporate Guarantors, collectively, the "Guarantors") in favor of Agent;

4. Assignment of Factoring Proceeds, dated as of July 6, 2011, by and among Lead Borrower, Agent and The CIT Group/Commercial Services, Inc. (the Prior Factor");

5. Assignment of Factoring Proceeds and Intercreditor Agreement, dated as of July 6, 2011, by and among Lead Borrower, Agent and Factor;

6. UCC-1 Financing Statements; filed by Agent, as Secured Party, against each Borrower and Corporate Guarantor, as Debtors;

7. Guaranty, dated as of July 6, 2011, by Corporate Guarantors in favor of Agent;

8. Guaranty, dated as of July 6, 2011, by Individual Guarantor in favor of Agent;

9. Deposit Account Control Agreement (Hard Account Agreement), dated as of July 5, 2011, by and among Direct, PNC Bank, National Association ("PNC") and Agent;

10. Deposit Account Control Agreement (Springing Agreement), dated as of July 5, 2011, by and among Direct, PNC and Agent;

11. Deposit Account Control Agreement (Springing Agreement), dated as of July 5, 2011, by and among Lead Borrower, PNC and Agent;

12. Blocked Account Control Agreement, dated as of July 15, 2011, by and among Direct, Agent and U.S. Bank National Association;

13. Subordination Agreement, dated as of July 6, 2011, by and among Rose Gerszberg, Agent, Borrowers and Guarantors.

14. Subordination Agreement, dated as of July 6, 2011, by and among Arthur Rabin, Jason Rabin, Borrowers, Guarantors, Ecko Asia and Gerszberg.

15. Subordination Agreement, dated as of July 6, 2011, by and among LFC, Agent, Borrowers, and Gerszberg.

16. Consent Agreement (Third-Party Service Provider) in favor of Agent from GSI.

EXHIBIT B
Existing Letter of Credit

L/C No.	Amount	Issue Date	Expiry Date	Beneficiary
#IS0001975	$1,000,000	8/1/2011	8/1/2014	23rd Street Properties LLC