

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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 In re: : Chapter 11
 THE WET SEAL, LLC, *et al.*, : Case No. 17-10229 (____)
 Debtors.¹ : (Joint Administration Requested)
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**DEBTORS’ MOTION FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING
 THE DEBTORS TO ASSUME THE CONSULTING AGREEMENT,
 (II) AUTHORIZING AND APPROVING THE CONDUCT OF STORE CLOSING
 SALES, WITH SUCH SALES TO BE FREE AND CLEAR OF ALL LIENS,
 CLAIMS, AND ENCUMBRANCES, AND (III) GRANTING RELATED RELIEF**

The Wet Seal, LLC and its affiliated debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (collectively, the “Chapter 11 Cases”) hereby move the Court (this “Motion”), pursuant to sections 105, 363, 365, and 554 of title 11 of the United States Code, 11 U.S.C. § 101–1532 (the “Bankruptcy Code”) and Rules 2002, 6003, and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for the entry of an interim order, substantially in the form attached hereto as Exhibit A (the “Interim Order”), and a final order (the “Final Order”) ² (i) authorizing the Debtors to assume the Amended and Restated Consulting Agreement (the “Agreement”) ³ dated as of February 1, 2017, by and between The Wet Seal, LLC and its affiliates, on the one hand, and Hilco Merchant Resources, LLC and Gordon Brothers Retail Partners, LLC (together, the “Consultant”), on the

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: The Wet Seal, LLC (2741) The Wet Seal Gift Card, LLC (3286); Mador Financing, LLC (1377). The Debtors’ corporate headquarters is located at 7555 Irvine Center Drive, Irvine, California 92618.

² A proposed form of the Final Order will be filed with the Court prior to the Final Hearing.

³ Pursuant to this Motion, the Debtors seek, in the Interim Order, confirmation that the Agreement is operative and effective, and in the Final Order, authorization to assume the Agreement.

other hand, a copy of which is attached as Exhibit 1 to the Interim Order, (ii) authorizing the Debtors to continue store closing or similar themed sales in accordance with the Agreement and the terms of the store closing sale guidelines (the “Sale Guidelines”), a copy of which are attached as Exhibit 2 to the Interim Order, with such sales to be free and clear of all liens, claims, and encumbrances; and (iii) granting certain related relief. In support of this Motion, the Debtors rely upon the *Declaration of Judd P. Tirnauer in Support of Chapter 11 Petitions and Requests for First Day Relief* (the “First Day Declaration”),⁴ which was filed contemporaneously with this Motion and is incorporated herein by reference. In further support of this Motion, the Debtors respectfully represent as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over these Chapter 11 Cases and this Motion pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b), and pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Debtors consent to entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue of these Chapter 11 Cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 105, 363, 365, and 554 of the Bankruptcy Code, and Bankruptcy Rules 2002, 6003, and 6004.

⁴ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

BACKGROUND

A. General

3. On the date hereof (the "Petition Date"), each of the Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to continue to operate their business and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. To date, no trustee, examiner or statutory committee has been appointed in these Chapter 11 Cases. Additional factual background relating to the Debtors' business, capital structure and the commencement of these Chapter 11 Cases is set forth in detail in the First Day Declaration.

B. The Debtors' Stores

4. As set forth in further detail in the First Day Declaration, the Debtors are a national multi-channel specialty retailer selling fashion apparel and accessory items designed for female customers aged 18 to 24 years old. The Debtors are currently comprised of two primary units: the retail store business and an e-commerce business. Through their retail store business, the Debtors operate approximately 142 retail locations in 37 states, principally in lease-based mall locations.⁵ The Debtors also have historically sold gift cards, which business has been primarily operated through The Wet Seal Gift Card, LLC.

5. After attempts to develop going-concern restructuring options proved unsuccessful, the Debtors determined, upon consultation with their key constituents, that commencing going-out-of-business sales (collectively, the "Store Closing Sales") through the Debtors' retail locations and e-commerce website (collectively, the "Stores") and the subsequent Chapter 11 Cases provided the best opportunity to maximize value for the Debtors' estates,

⁵ During January 2017, the Debtors terminated operations at 37 retail locations, including pop-up stores. Prior to those closures, the Debtors operated 179 stores as of January 1, 2017.

creditors and all interested parties. This decision was reached only upon considering all reasonable alternatives, exploring and entertaining creative restructuring solutions, and pursuing both strategic and operational business partners.

C. The Store Closing Sales and Prepetition Marketing Efforts

6. Accordingly, in January 2017, the Debtors and their advisors began contacting certain nationally-recognized potential liquidators (the only parties that can effectuate a transaction of this magnitude) to solicit interest in bidding on the right to conduct the Store Closing Sales. The Debtors discussed the Store Closing Sales with such nationally-recognized liquidator firms and solicited bids from them to conduct the same. After running a competitive process, with the assistance of Berkeley Research Group, LLC and their proposed counsel, the Debtors selected the Consultant to conduct the Store Closing Sales, and determined to close the Stores and liquidate the merchandise (the “Merchandise”) and furniture, fixtures, and equipment (the “FF&E” and together with the Merchandise, the “Store Closing Assets”) at each of the Stores in accordance with the terms of the Agreement (the material terms of which are set forth below) and the Sale Guidelines. Accordingly, the Store Closing Sales commenced on January 23, 2017.

D. The Agreement

7. Under the terms of the Agreement, subject to the Court’s approval of the attached Interim Order and Final Order, respectively, the Consultant will serve as the exclusive agent to the Debtors for the purpose of conducting a sale of the Store Closing Assets using the procedures outlined in the Sale Guidelines. The Debtors seek to assume the Agreement so that they may leverage the experience and resources of the Consultant in performing large-scale

liquidations while retaining control over the sale process, which the Debtors believe will provide the maximum benefit to the estates.

8. The material terms of the Agreement are described in the summary chart below.⁶

Provision	Description
Sale Termination Date	No later than February 28, 2017, unless extended by mutual agreement
Consultant's Services	<p>Consultant is to, among other things, provide the following services:</p> <ul style="list-style-type: none"> (a) provision of qualified Supervisors to supervise and conduct the Sale; (b) provide Merchant with such oversight, supervision and guidance with respect to the conduct of the Sale and the liquidation and disposal of the Merchandise from the Stores and distribution centers as may be required to maximize Gross Proceeds; (c) assist Merchant to commence the Sale as a “sale on everything”, “store closing”, “going out of business”, or other mutually agreed upon theme; (d) advise Merchant with respect to the legal requirements affecting the Sale as a “store closing” or other mutually agreed upon theme in compliance with applicable state and local “going out of business” laws (excluding deceptive advertising laws) (collectively, the “<u>Liquidation Laws</u>”); (e) recommend and implement appropriate point of purchase, point of sale and other internal and external advertising to effectively sell the Merchandise during the Sale Term; (f) advise Merchant as to appropriate pricing and discounting of Merchandise, appropriate staffing levels for the Stores (including Store Employees), and appropriate bonus and incentive programs for Store Employees; (g) recommend to Merchant loss prevention programs designed to protect the inventory from shrinkage; (h) advise Merchant on consolidating Stores and closing Stores prior to the Sale Termination Date to maximize the net proceeds generated to Merchant from the Sale; and

⁶ Capitalized terms used but not otherwise in this summary chart shall have the meanings ascribed to them in the Agreement. To the extent that this summary differs in any way from the terms set forth in the Agreement, the terms of the Agreement shall control.

Provision	Description
	<p>(i) provide such other related services mutually deemed necessary or prudent by Merchant and Consultant under the circumstances giving rise to the Sale.</p> <p>At the conclusion of the Sale, Consultant shall surrender the premises of each Store in broom clean condition.</p>
Affirmative Duties of Merchant	<p>The Merchant is to, among other things:</p> <ul style="list-style-type: none"> (a) be the employer of the Store Employees; (b) provide Consultant, at no cost or expense to the Consultant, with central administrative services necessary to administer the Sale; (c) pay all taxes, costs, expenses, accounts payable, and other liabilities relating to the Stores, the Store Employees, and other representatives of Merchant; (d) prepare and process all tax forms and other documentation; (e) collect all sales taxes and pay them to the appropriate taxing authorities for the Stores; (f) use reasonable efforts to cause Merchant's employees to cooperate with Consultant and the Supervisors; (g) provide Consultant with weekly reporting; and (h) provide peaceful use and occupancy of, and reasonable access to, the Stores and Merchant's corporate offices for the purpose of conducting and completing the Sale.
Consultant's Fees and Expenses	<p>Merchant shall pay to Consultant, from Gross Proceeds, a Consulting Fee equal to one and a half percent (1.5%) of Gross Proceeds.</p> <p>Merchant is responsible for all expenses incurred in connection with the Sale, including all Sale Expenses. To control Sale Expenses, the Merchant and Consultant have agreed to the Consultant Controlled Expense Budget. If the aggregate amount of Consultant Controlled Expenses is less than the total amount set forth in the Consultant Controlled Expense Budget, Consultant shall be entitled to payment equal to 5.0% of the difference.</p> <p>The Debtors provided Consultant with a \$350,000 Special Purpose Payment to be held by the Consultant and applied toward any unpaid obligations of the Debtors pending Final Settlement. Any portion of the Special Purpose Payment not used to pay amounts explicitly contemplated by the Agreement shall be returned to the Debtors within 3 days following the Final Settlement.</p>
Additional Consultant Goods Fee	<p>The Debtors are entitled to a fee equal to 20% of the gross proceeds (less Sale Taxes) from the sale of any Additional Consultant Goods.</p>

Provision	Description
Merchant Indemnification	The Merchant indemnifies Consultant Indemnified Parties from liabilities (including reasonable attorneys' fees and expenses) resulting from, or related to, among other things: material breach, gross negligence or willful misconduct of Merchant, and claims of Consultant's employees based on Merchant's actionable treatment of such employees.
Consultant Indemnification	The Consultant indemnifies the Merchant Indemnified Parties from liabilities (including reasonable attorneys' fees and expenses) resulting from, or related to, among other things: material breach, gross negligence or willful misconduct of Merchant, and claims of Merchant's employees based on Consultant actionable treatment of such employees, and any claims by a party engaged by Consultant (except where due to gross negligence or willful misconduct of Merchant or from breach of the Agreement by Merchant).

9. In accordance with the Agreement, the Debtors are no longer selling gift cards. However, the Consultant will honor gift cards and merchandise credits that were issued by or on behalf of the Debtors prior to January 23, 2017. Likewise, the Consultant will accept returns and exchanges of Merchandise sold by the Debtors prior to January 23, 2017, provided that such return or exchange is otherwise in compliance with the Debtors' applicable policies and procedures that were in place at the time the Merchandise was purchased.

RELIEF REQUESTED

10. By this Motion, the Debtors seek the entry of the Interim Order and Final Order (i) authorizing the Debtors to assume the Agreement, (ii) authorizing the Debtors to conduct Store Closing Sales in accordance with the Agreement and the Sale Guidelines, with such sales to be free and clear of all liens, claims, and encumbrances, and (iii) granting certain related relief.

BASIS FOR RELIEF REQUESTED

A. Assumption of the Agreement is Warranted Under the Circumstances

11. The Debtors request authority to assume the Agreement pursuant to section 365 of the Bankruptcy Code. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession, “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). A debtor’s determination to assume or reject an executory contract is governed by the “business judgment” standard. *See, e.g., In re AbitibiBowater Inc.*, 418 B.R. 815, 831 (Bankr. D. Del. Oct. 27, 2009) (finding that a debtor’s decision to assume or reject an executory contract will stand so long as “a reasonable business person would make a similar decision under similar circumstances.”); *In re HQ Global Holdings, Inc.*, 290 B.R. 507, 511 (Bankr. D. Del. 2003) (stating a debtor’s decision to reject an executory contract is governed by the business judgment standard and can only be overturned if the decision was the product of bad faith, whim, or caprice). “The business judgment rule ‘is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interest of the company.’” *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)).

12. The business judgment rule is crucial in chapter 11 cases and shields a debtor’s management from judicial second-guessing. *See In re Integrated Res.*, 147 B.R. at 656; *see also Comm. of Asbestos Related Litigants and/or Creditors v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“[T]he Code favors the continued operation of a business by a debtor and a presumption of reasonableness attached to a debtor’s management decisions.”). Generally, courts defer to a debtor in possession’s business

judgment to assume or reject an executory contract or lease. *See, e.g., Wheeling-Pittsburgh Steel Corp. v. West Penn Power Co., (In re Wheeling-Pittsburgh Steel Corp.)*, 72 B.R. 845, 846 (Bankr. W.D. Pa. 1987) (stating that the business judgment test “requires only that the trustee [or debtor in possession] demonstrate that [assumption] or rejection of the contract will benefit the estate.”).

13. The Debtors, in consultation with their advisors, determined that the Stores should be closed and the Store Closing Assets should be liquidated for the benefit of the Debtors’ estates and creditors. Furthermore, after engaging in extensive, arms’-length negotiations with certain nationally-recognized liquidators regarding the Store Closing Sales and conducting reasonable diligence, the Debtors determined that entering into the Agreement would provide the greatest return to the Debtors’ estates for the Store Closing Assets. Additionally, the Debtors believe that the terms set forth in the Agreement are fair and equitable and present the best path forward with respect to winding down their operations.

14. Further, for the Debtors to conclude the Store Closing Sales as quickly and efficiently as possible, and thereby minimize any unnecessary administrative expenses, it is essential that the Debtors be permitted to continue performing pursuant to the Agreement. Since January 23, 2017, the Consultant has been conducting the Store Closing Sales. As a result, the Consultant is familiar with the Debtors’ operations in the Stores and the Store Closing Sales being conducted therein. Moreover, the Consultant has overseen similar Store Closing Sales and best knows how to maximize the value to be obtained by the Debtors during the remainder of such sales.

15. Failure by the Debtors to continue performing pursuant to the Agreement at this point would lead only to unnecessary delay and expense that would in turn disrupt the

Debtors' liquidation efforts. Among other things, the Debtors and their advisors would be compelled to devote valuable time and effort, at considerable expense to the Debtors and their estates, to locating new agents to conduct the Store Closing Sales. Given the effectiveness of the Debtors' prepetition efforts to obtain the best possible terms for liquidation of the Merchandise and FF&E, the Debtors believe that they would be unable to locate alternate agents willing to conduct the Store Closing Sales with terms as favorable to the Debtors and their stakeholders as those set forth in the Agreement.

16. Moreover, because the Store Closing Sales are scheduled to conclude on or before February 28, 2017, it is unlikely that any new agents even could be found at this stage of the Store Closing Sales to undertake continuation thereof on an uninterrupted basis. This would in all likelihood decrease the recovery to the Debtors' estates from the Store Closing Sales.

17. In contrast to the harm that any failure to perform under the Agreement would undoubtedly cause the Debtors and their estates, the Debtors believe that they will receive significant benefits from performing under the Agreement and allowing the Store Closing Sales to proceed in an efficient and cost effective manner for the remaining weeks under the guidance and expertise of the Consultant.

18. Accordingly, the Debtors submit that there is sufficient business justification for assumption of the Agreement.

B. Sufficient Business Justification Exists for Continuation of the Store Closing Sales

19. The Debtors request authority, pursuant to section 363(b) of the Bankruptcy Code, to sell the Store Closing Assets through the continuation of the Store Closing Sales in accordance with the Agreement and the Sale Guidelines. Section 363(b) of the Bankruptcy Code provides that a debtor, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b). Although

section 363(b) does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, courts have required that such use, sale, or lease be based upon the sound business judgment of the debtor. *See, e.g., Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (internal citation omitted); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070–71 (2d Cir. 1983); *In re Abbotts Dairies, Inc.*, 788 F.2d 143, 147–48 (3d Cir. 1986) (implicitly adopting the “sound business judgment” test of Lionel Corp.); *In re Del. & Hudson Ry. Co.*, 124 B.R. 169, 175–76 (D. Del. 1991) (holding that the Third Circuit adopted the “sound business judgment” test in *Abbotts Dairies*); *Dai-Icho Kangyo Bank v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (Bankr. D. Del. 1999) (same).

20. As set forth above, the demonstration of a valid business justification by the debtor leads to a strong presumption “that in making [the] business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company.” *In re Integrated Res.*, 147 B.R. at 656. Accordingly, similar store closing or liquidation sales are routinely approved by courts in this district in chapter 11 cases involving retail debtors.

21. As described above and in the First Day Declaration, sound business reasons exist to justify the continuation of the Store Closing Sales. Based upon the results of their exhaustive analysis of the Debtors' ongoing and future business prospects, the Debtors' and their advisors have concluded that conducting the Store Closing Sales in accordance with the procedures set forth in the Agreement and the Sale Guidelines is the best method to maximize recoveries to the estates and to stop the rapid deterioration of the Debtors' business. The efficient and effective liquidation sales and procedures, as contemplated the Sale Guidelines and

the services to be provided by Liquidation Consultant, will allow the Debtors to quickly vacate the Stores and avoid the accrual of unnecessary administrative expenses, while maximizing the value of the Store Closing Assets.

22. Accordingly, the Debtors have compelling business justifications for the continuation of the Store Closing in accordance with the terms of the Agreement and Sale Guidelines.

C. The Sale of the Store Closing Assets Free and Clear of All Liens, Encumbrances, and Other Interests Is Authorized Under Section 363(f) of the Bankruptcy Code

23. The Debtors request approval to sell the Store Closing Assets on a final “as is” basis, free and clear of liens, claims, interests and encumbrances, in accordance with section 363 of the Bankruptcy Code. A debtor in possession may sell property under section 363(b) of the Bankruptcy Code “free and clear of any interest in such property of an entity other than the estate” if any one of the following conditions is satisfied:

- (1) applicable nonbankruptcy law permits sale of such property free and clear of such interests;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f); *see Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988) (noting that because section 363(f) is written in the disjunctive, a court may approve a sale free and clear if any one subsection is met); *see also Mich. Emp’t Sec. Comm’n v. Wolverine Radio Co. (In re Wolverine Radio Co.)*, 930 F.2d 1132, 1147 n.24 (6th Cir. 1991) (same).

24. Although the term “any interest” is not defined in the Bankruptcy Code, the trend in modern cases is toward a “broader interpretation which includes other obligations that may flow from ownership of the property.” *See Folger Adam Security, Inc. v. DeMatteis/MacGregor, JV*, 209 F.3d 252, 258–59 (3d Cir. 2000). The scope of section 363(f) is not limited to *in rem* interests in a debtor’s assets. *Id.* (citing *In re Leckie Smokeless Coal Co.*, 99 F.3d 573, 581–82 (4th Cir. 1996)). A debtor can therefore sell its assets under section 363(f) free and clear of successor liability that otherwise would have arisen under federal statute. *Id.*

25. The Debtors submit that it is appropriate to sell the Store Closing Assets on a final “as is” basis, free and clear of any and all liens, claims, and encumbrances in accordance with section 363(f) of the Bankruptcy Code because one or more of the tests of section 363(f) are satisfied. In particular, the Debtors believe that at least section 363(f)(2) of the Bankruptcy Code will be met because the Debtors’ prepetition secured lenders are secured by, among other things, the Store Closing Assets and have consented to the sale of the Store Closing Assets free and clear. Moreover, with respect to any other party asserting a lien, claim, or encumbrance against the Store Closing Assets, the Debtors anticipate that they will be able to satisfy one or more of the conditions set forth in section 363(f). Furthermore, the Debtors propose that any liens, claims, and encumbrances asserted against the Store Closing Assets be transferred to and attach to the amounts earned by the Debtors under the Store Closing Sales.

26. Accordingly, the Debtors propose that section 363(f) of the Bankruptcy Code authorizes the transfer and conveyance of the Store Closing Assets free and clear of any liens, claims, and encumbrances.

D. The Court Should Approve the Proposed Sale Guidelines

27. As set forth in greater detail below, many Liquidation Laws require special and cumbersome licenses, waiting periods, time limits, and other procedures for store

closing and liquidation sales. Therefore, although the Debtors intend to comply fully with applicable state and local health and safety and consumer protection laws in connection with the Store Closing Sales, the Debtors seek a waiver of compliance with the Liquidation Laws and instead request the authority to conduct such sales in accordance with the Sale Guidelines.

28. The Debtors developed the Sale Guidelines with the intent to provide a means of controlling the administrative burdens on their estates that are associated with complying with the Liquidation Laws, while at the same time protecting the interests of their landlords and the applicable governmental agencies enforcing such laws. Accordingly, the Debtors submit that the Sale Guidelines adequately address any concerns that their landlords or the governmental agencies may raise with respect to the Store Closing Sales, and therefore, the requested relief below seeking the waiver of Liquidation Laws should be approved.

E. Exemption from Liquidation Laws is Warranted and Appropriate

29. The Debtors recognize that various Liquidation Laws, including, but not limited to, state and local laws, statutes, rules, regulations, and ordinances that relate to permitting, licensing, bonding, waiting periods, time limits, bulk sale restrictions, and other related laws governing the conduct of store closing, or other inventory clearance sales, may apply in certain states in which the Stores are located. Many such Liquidation Laws, however, provide that court-authorized liquidation sales are exempt from compliance therewith.

30. The Debtors, therefore, request that the Court authorize the Debtors to conduct the Store Closing Sales without the necessity of, and the delay associated with, complying with the Liquidation Laws. Because the Debtors and their assets are subject to the Court's jurisdiction, *see* 28 U.S.C. § 1334, the Court will be able to supervise the Store Closing Sales. The Store Closing Sales are legitimate methods by which the Debtors can maximize the return from the sale of the Store Closing Assets for the benefit of their estates and creditors.

Moreover, creditors and the public interest are adequately protected by the jurisdiction and supervision of the Court.

31. Even if a state or local law does not expressly except bankruptcy sales from its ambit, the Debtors submit that, to the extent that such state or local law conflicts with federal bankruptcy laws, it is preempted by the Supremacy Clause of the United States Constitution. To hold otherwise would severely impair the relief otherwise available under section 363 of the Bankruptcy Code. In concert with this premise, bankruptcy courts have consistently recognized that federal bankruptcy law preempts state and local laws that contravene the underlying policies of the Bankruptcy Code. *See, e.g., Aloe v. Shenango Inc. (In re Shenango Group, Inc.)*, 186 B.R. 623, 628 (Bankr. W.D. Pa. 1995) (“Trustees and debtors-in-possession have unique fiduciary and legal obligations pursuant to the bankruptcy code [A] state statute [] cannot place burdens on them where the result would contradict the priorities established by the federal bankruptcy code.”).

32. While preemption of state law is not always appropriate, as when the protection of public health and safety is involved, *see Baker & Drake, Inc. v. Pub. Serv. Comm’n of Nev. (In re Baker & Drake, Inc.)*, 35 F.3d 1348, 1353–54 (9th Cir. 1994) (finding no preemption when state law prohibiting taxicab leasing was promulgated in part as a public safety measure), it is appropriate when, as here, the only state laws involved concern economic regulation. *Id.* at 1353 (finding that “federal bankruptcy preemption is more likely . . . where a state statute is concerned with economic regulation rather than with protecting the public health and safety”). Moreover, pursuant to section 105 of the Bankruptcy Code, the Court has the authority to permit the Store Closing Sales to proceed notwithstanding contrary Liquidation Laws. *See* 11 U.S.C. § 105(a).

33. Here, section 363 of the Bankruptcy Code, which requires the Debtors to operate their businesses in a way that maximizes recoveries for creditors, will be undermined if the Court does not provide for the waiver of the Liquidation Laws because the Liquidation Laws constrain the Debtors' ability to marshal and maximize assets for the benefit of creditors. Moreover, given the supervision of the Court, the requested waiver will not unduly undermine state and local requirements that would otherwise apply to the Store Closing Sales. The Debtors only request that the Court authorize the Debtors to conduct the Store Closing Sales without the necessity of, and the delay associated with, obtaining various state licenses or permits, observing state and local waiting periods or time limits, and/or satisfying any additional requirements with respect to conducting the Store Closing Sales as store closings or similar type sales. The Debtors fully intend to be bound by and comply with remaining statutes and regulations, such as health and safety laws.

34. The Debtors also request that no other person or entity, including (but not limited to) any lessor or federal, state, or local agency, department, or governmental authority, be allowed to take any action to prevent, interfere with, or otherwise hinder consummation of the Store Closing Sales, or the advertising and promotion (including through the posting of signs) of Store Closing Sales, in the manner set forth in the proposed orders.

35. Notwithstanding such requests, the Debtors propose to serve, within 2 business days of the entry of the Interim Order and the Final Order, copies of such Orders and the Sale Guidelines attached thereto, by email, facsimile, or regular mail on (i) the Attorney General's office for each state in which the Debtors operate a retail location, (ii) the county consumer protection agency or similar agency for each county in which the Debtors operate a retail location, (iii) the division of consumer protection for each state in which the Debtors

operate a retail location, (iv) the chief legal counsel for each local jurisdiction in which the Debtors operate a retail location (collectively, clauses (a) through (d), the “Applicable Governmental Units”), and (e) the applicable landlord for each Store (collectively, the “Landlords”).

36. The Debtors further propose that any governmental unit (as defined in section 101(27) of the Bankruptcy Code) (each a “Governmental Unit”) may assert a dispute related to any Liquidation Laws (such dispute, a “Liquidation Dispute”) by sending a notice (a “Dispute Notice”) explaining the nature of the dispute to (i) counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: Michael R. Nestor, Esq., and Andrew L. Magaziner, Esq.), (ii) counsel to the Consultant, Riemer & Braunstein LLP, Times Square Tower, Suite 2506, Seven Times Square, New York, NY 10036 (Attn: Steven Fox, Esq.); and (iii) counsel to any statutory committee, no later than 14 days following the service of the Interim Order or Final Order, as applicable. If the Debtors, the Consultant, and the Governmental Unit are unable to resolve the Liquidation Dispute within 14 days of service of the Dispute Notice, the Governmental Unit may file a motion with the Court requesting consideration and resolution of the Liquidation Dispute (a “Dispute Resolution Motion”). The Debtors request that the Court retain exclusive jurisdiction to resolve any Liquidation Disputes, and that the Court resolve any Dispute Resolution Motions at the next available omnibus hearing. The proposed dispute resolution procedures related to the Liquidation Laws discussed in this paragraph and in the Interim Order and Final Order are referred to herein as the “Resolution Procedures.”

F. The Court Should Waive Compliance with Any Restriction in the Leases

37. Certain of the Debtors’ leases governing the premises of the stores subject to any Store Closing Sales may contain provisions purporting to restrict or prohibit the Debtors

from conducting store closing, liquidation, or similar sales. Such provisions have been held to be unenforceable in chapter 11 cases as they constitute an impermissible restraint on a debtor's ability to properly administer its reorganization case and maximize the value of its assets under section 363 of the Bankruptcy Code. *See Ames Dep't Stores*, 136 B.R. at 359 (deciding that enforcement of such lease restrictions would “contravene overriding federal policy requiring debtor to maximize estate assets. . . .”); *In re R. H. Macy and Co., Inc.*, 170 B.R. 69, 73–74 (Bankr. S.D.N.Y. 1994) (holding that the lessor could not recover damages for breach of a covenant to remain open throughout the lease term, because the debtor had a duty to maximize the value to the estate and the debtor fulfilled this obligation by holding a store closing sale and closing the store.); *In re Tobago Bay Trading Co.*, 112 B.R. 463, 467–68 (Bankr. N.D. Ga., 1990) (finding that a debtor's efforts to reorganize would be significantly impaired to the detriment of creditors if lease provisions prohibiting a debtor from liquidating its inventory were enforced); *In re Lisbon Shops, Inc.*, 24 B.R. 693, 695 (Bankr. E.D. Mo. 1982) (holding restrictive lease provision unenforceable in chapter 11 case where debtor sought to conduct a liquidation sale).

38. Thus, as a result of the above and to the extent that such provisions or restrictions exist in any of the leases of the stores subject to the Store Closing Sales, the Debtors request that the Court authorize the Debtors and/or the Consultant to conduct any liquidation sales without interference by any landlords or other persons affected, directly or indirectly, by the liquidation sales.

G. The Abandonment of Certain Property In Connection With The Store Closing Sales Is Justified

39. Section 554(a) of the Bankruptcy Code provides that after notice and a hearing, a debtor-in-possession “may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate.” *See Hanover Ins. Co. v.*

Tyco Indus., Inc., 500 F.2d 654, 657 (3d Cir. 1974) (stating that a debtor “may abandon his claim to any asset, including a cause of action, he deems less valuable than the cost of asserting that claim”); *In re Grossinger’s Assoc.*, 184 B.R. 429, 432 (Bankr. S.D.N.Y. 1995); *see also Midlantic Nat’l Bank v. N.J. Dep’t of Env’tl. Prot.*, 474 U.S. 494, 507, n.9 (1986) (“[A] trustee [in bankruptcy] may not abandon property in contravention of a state statute or regulation that is reasonably designed to protect the public health or safety from identified hazards This exception to the abandonment power . . . is a narrow one.”); *In re Bryson*, 53 B.R. 3, 4–5 (Bankr. M.D. Tenn. 1985) (“The effect of the abandonment is to remove the asset from the jurisdiction of the bankruptcy court.”).

40. The Debtors intend to sell all Store Closing Assets remaining in the Stores. However, in the event that the Debtors are unable to sell or dispose of all of the Store Closing Assets following the Store Closing Sales, or determine that the costs associated with holding or selling certain Store Closing Assets exceeds the proceeds that will be realized upon its sale or that such Store Closing Assets are not sellable at all, it would be costly and burdensome to the Debtors’ estates to retain such Store Closing Assets. Thus, to the extent that the Consultant does not sell all of the Store Closing Assets, the Debtors request that they be authorized upon the conclusion of the Store Closing Sales to abandon the same without incurring liability to any person or entity to maximize the value of the Debtors’ assets and to minimize the costs to the estates.

41. Notwithstanding the foregoing, the Debtors and the Consultant will utilize all commercially reasonable efforts to remove or cause to be removed any confidential or personal identifying information (which means information which alone or in conjunction with other information identifies an individual, including, but not limited to, an individual’s name,

social security number, date of birth, government-issued identification number, account number, and credit or debit card number) in any of the Debtors' hardware, software, computers, cash registers, or similar equipment that are to be sold or abandoned.

H. Appointment of a Consumer Privacy Ombudsman Is Unnecessary

42. Section 363(b)(1) of the Bankruptcy Code provides that a debtor may not sell or release personally identifiable information about individuals unless such sale or lease is consistent with its policies or upon appointment of a consumer privacy ombudsman pursuant to section 332 of the Bankruptcy Code. The Debtors will not be selling or releasing personally identifiable information in the course of the Store Closing Sales. Therefore, appointment of a consumer privacy ombudsman is unnecessary.

SATISFACTION OF BANKRUPTCY RULE 6003(b)

43. Pursuant to Bankruptcy Rule 6003(b), any motion seeking to use property of the estate pursuant to section 363 of the Bankruptcy Code within twenty-one days of the Petition Date requires the Debtors to demonstrate that such relief "is necessary to avoid immediate and irreparable harm." There is no question that the Debtors' failure to continue to conduct the Store Closing Sales without interruption would result in immediate and irreparable harm to the Debtors' estates by causing unnecessary delay and expense that would in turn disrupt the Debtors' liquidation efforts and decrease the recovery to the Debtors' estates from the Store Closing Sales.

44. For the reasons set forth herein, the Debtors respectfully submit that Bankruptcy Rule 6003(b) has been satisfied and the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates.

WAIVER OF STAY UNDER BANKRUPTCY RULE 6004(h)

45. Pursuant to Bankruptcy Rule 6004(h), “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As set forth throughout this Motion, any delay in the Debtors’ ability to continue to conduct the Store Closing Sales without interruption would be detrimental to the Debtors, their creditors and estates, and would impair the Debtors’ ability to optimize their business performance at this critical time as they begin the chapter 11 process.

46. For this reason and those set forth above, the Debtors submit that ample cause exists to justify a waiver of the fourteen-day stay imposed by Bankruptcy Rule 6004(h), to the extent applicable.

NOTICE

47. Notice of this Motion has been given to (i) the U. S. Trustee; (ii) counsel to Crystal Financial, LLC; (iii) counsel to Mador Funding, LLC; (iv) holders of the thirty (30) largest unsecured claims on a consolidated basis against the Debtors; (v) all known parties asserting liens in the Store Closing Assets; (vi) the Debtors’ landlords for each of the Stores; and (vii) the Applicable Governmental Units. Notice of this Motion and any ordered entered hereon will be served in accordance with Local Rule 9013-1(m). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter the Interim Order and Final Order granting the relief sought herein and such other and further relief as may be just and proper.

Dated: February 2, 2017
Wilmington, Delaware

/s/ Andrew L. Magaziner

Robert S. Brady (No. 2847)

Michael R. Nestor (No. 3526)

Jaime Luton Chapman (No. 4936)

Andrew L. Magaziner (No. 5426)

YOUNG CONAWAY STARGATT & TAYLOR, LLP

Rodney Square

1000 North King Street

Wilmington, Delaware 19801

Telephone: (302) 571-6600

Facsimile: (302) 571-1253

*Proposed Counsel to the Debtors and
Debtors in Possession*

EXHIBIT A

Proposed Interim Order

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X
In re: : Chapter 11
: :
THE WET SEAL, LLC, *et al.*, : Case No. 17-10229 (____)
: :
Debtors.¹ : (Jointly Administered)
: :
: Ref. Docket No. ____
-----X

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO PERFORM IN ACCORDANCE WITH THE AGREEMENT, (II) AUTHORIZING AND APPROVING THE CONDUCT OF STORE CLOSING SALES, WITH SUCH SALES TO BE FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES, AND (III) GRANTING RELATED RELIEF

Upon the *Debtors’ Motion for Interim and Final Orders (I) Authorizing the Debtors to Assume the Consulting Agreement, (II) Authorizing and Approving the Conduct of the Store Closing Sales, with such Sale to be Free and Clear of All Liens, Claim, and Encumbrances, and (III) Granting Related Relief* (the “Motion”);² and this Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334(b), and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and this Court having found that venue of these cases and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that due and sufficient notice of the Motion has been given under the particular circumstances and that no other or further notice of the Motion need be given; and this Court having determined that it may enter a final order consistent with Article III of the United States

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: The Wet Seal, LLC (2741) The Wet Seal Gift Card, LLC (3286); Mador Financing, LLC (1377). The Debtors’ corporate headquarters is located at 7555 Irvine Center Drive, Irvine, California 92618.

² All capitalized terms used and not defined herein shall have the meanings ascribed to them in the Motion.

Constitution; and upon consideration of the First Day Declaration; and a hearing having been held to consider the relief requested in the Motion; and upon the record of the hearing and all of the proceedings had before this Court; and this Court having found and determined that the relief sought in the Motion is in the best interest of the Debtors, their estates and creditors, and all other parties in interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

FOUND, CONCLUDED AND DETERMINED that:³

A. The Debtors have advanced sound business reasons for entering into the Agreement, a copy of which is attached hereto as Exhibit 1, on an interim basis as set forth in the Motion and at the hearing, and entering into the Agreement is a reasonable exercise of the Debtors' business judgment and is in the best interest of the Debtors and their estates.

B. The Agreement was negotiated, proposed, and entered into by the Debtors and the Consultant without collusion, in good faith, and from arm's-length bargaining positions.

C. The Sale Guidelines, as described in the Motion and attached as Exhibit 2 hereto, are reasonable and will maximize the returns on the Store Closing Assets for the benefit of the Debtors' estates and creditors.

D. The Store Closing Sales, in accordance with the Sale Guidelines and with the assistance of the Consultant, will provide an efficient means for the Debtors to liquidate and dispose of the Store Closing Assets as quickly and effectively as possible, and are in the best interests of the Debtors' estates.

³ The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. 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.

E. The Resolution Procedures are fair and reasonable, and comply with applicable law.

F. The Debtors have represented that, pursuant to the Motion, they are not seeking to either sell or lease personally identifiable information during the course of the Closing Sales at the Stores; *provided, however*, that the Consultant will be authorized to distribute emails and promotional materials to the Debtors' customers consistent with the Debtors' existing policies on the use of consumer information.

G. The relief set forth herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates, and the Debtors have demonstrated good, sufficient, and sound business purposes and justifications for the relief approved herein.

H. The entry of this Interim Order is in the best interest of the Debtors, their estates and creditors, and all other parties in interest herein.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis, as set forth herein.
2. A final hearing (the "Final Hearing") will be held before this Court on _____, 2017, at _____ (ET) to consider the relief requested in the Motion on a final basis. All objections, if any, to the Motion shall be in writing and filed with this Court and served on (i) counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: Michael R. Nestor, Esq., and Andrew L. Magaziner, Esq.), (ii) counsel to the Consultant, Riemer & Braunstein LLP, Times Square Tower, Suite 2506, Seven Times Square, New York, NY 10036 (Attn: Steven Fox, Esq.; (iii) counsel to Crystal Financial, LLC, Morgan, Lewis & Bockius, LLP, One Federal Street, Boston, MA 02110-1726 (Attn: Sandra Vrejan, Esq. and Julia Frost-Davies, Esq.) and

Reed Smith LLP, 1201 North Market Street, #1500, Wilmington, Delaware 19801 (Attn: Kurt F. Gwynne); and (iv) counsel to any statutory committee (collectively, the “Notice Parties”), as to be received on or before _____, 2017, at 4:00 p.m. (ET).

3. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Interim Order. The failure to specifically include any particular provision of the Agreement in this Interim Order shall not diminish or impair the effectiveness of such provisions, it being the intent of this Court that the Agreement and all of its provisions, payments, and transactions, be and hereby are authorized and approved as and to the extent provided for in this Interim Order.

4. To the extent there is any conflict between this Interim Order, the Sale Guidelines, and the Agreement, the terms of this Interim Order shall control over all other documents, and the Sale Guidelines shall control over the Agreement.

A. Effectiveness of Agreement

5. The Agreement is operative and effective on an interim basis. The Debtors are authorized to act in accordance with the terms of the Agreement, including, but not limited to, making payments required by the Agreement to the Consultant without the need for any application of the Consultant or a further order of this Court.

6. No later than five (5) days prior to the Final Hearing, each Hilco Merchant Resources, LLC and Gordon Brother Retail Partners, LLC shall file a declaration of disinterestedness.

7. Subject to the restrictions set forth in this Interim Order and the Sale Guidelines, the Debtors and the Consultant are authorized to take any and all actions as maybe necessary or desirable to implement the Agreement and the Store Closing Sales; and each of the transactions contemplated by the Agreements, and any actions taken by the Debtors and the

Consultant necessary or desirable to implement the Agreements and/or the Store Closing Sales prior to the date of this Interim Order are approved and ratified.

B. Authority to Engage in the Store Closing Sales

8. The Debtors are authorized, pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, to conduct the Store Closing Sales in accordance with this Interim Order, the Sale Guidelines, and the Agreement.

9. The Sale Guidelines are approved in their entirety.

10. All entities that are presently in possession of some or all of the Store Closing Assets in which the Debtors hold an interest that are or may be subject to the Agreement or this Interim Order hereby are directed to surrender possession of such Store Closing Assets to the Debtors or the Consultant.

11. Except as provided herein, neither the Debtors nor the Liquidation Consultant nor any of their officers, employees, or agents shall be required to obtain the approval of any third party, including (without limitation) any Governmental Unit or any Landlord, to conduct the Store Closing Sales and any related activities in accordance with the Sale Guidelines.

12. No Landlord, licensor, property owner, and/or property manager shall prohibit, restrict, or otherwise interfere with any of the Store Closing Sales.

13. The Debtors are authorized to discontinue operations at the Stores in accordance with this Interim Order and the Sale Guidelines.

C. Conducting the Store Closing Sales

14. All newspapers and other advertising media in which the Store Closing Sales may be advertised and all Landlords are directed to accept this Interim Order as binding authority so as to authorize the Debtors and the Consultant to conduct the Store Closing Sales

and the sale of Store Closing Assets pursuant to the Agreement and the Sale Guidelines, including, without limitation, to conduct and advertise the sale of the Store Closing Assets and the Additional Consultant Goods in the manner contemplated by and in accordance with this Interim Order, the Sale Guidelines, and the Agreement.

15. Nothing in this Interim Order or the Agreement releases the Debtors or the Consultant from complying with laws and regulations of general applicability, including, without limitation, public health and safety, criminal, tax, labor, employment, environmental, antitrust, fair competition, traffic and consumer protection laws, including consumer laws regulating deceptive practices and false advertising (collectively, "General Laws").

16. Subject to the Resolution Procedures provided in paragraph 27 hereof, the Debtors and the Liquidation Consultant are hereby authorized to take such actions as may be necessary and appropriate to implement the Agreement and to conduct the Store Closing Sales without the need for a further order of this Court, including, but not limited to, advertising the sale as a "store closing," "sale on everything," "everything must go," "liquidation sale," "winter clearance outlet," or similar themed sale through the posting of signs in accordance with the Sale Guidelines, notwithstanding any applicable non-bankruptcy laws that restrict such sales and activities, and notwithstanding any provision in any lease, sublease, license, or other agreement related to occupancy, "going dark," or abandonment of assets (subject to the entry of a Final Order), or other provisions that purport to prohibit, restrict, or otherwise interfere with the Store Closing Sales.

17. No person or entity, including, but not limited to, any Landlord, service providers, utility provider, and creditor, shall take any action to directly or indirectly prevent,

interfere with, or otherwise hinder the Store Closing Sales or the sale of Store Closing Assets and the Additional Consultant Goods, or the advertising and promotion of the Store Closing Sales.

18. The Consultant shall (i) honor gift cards and merchandise credits that were issued by or on behalf the Debtors prior to January 23, 2017 and (ii) accept a return or exchange of Merchandise sold by the Debtors prior to January 23, 2017, provided that such return or exchange is otherwise in compliance with the Debtors' applicable policies and procedures that were in place at the time the Merchandise was purchased.

19. All sales of all Store Closing Assets shall be "as is" and final. Conspicuous signs stating that "all sales are final" and "as is" will be posted at the cash register areas at all Stores.

20. The Debtors remain responsible for the payment of any and all sales taxes. The Debtors are directed to remit all taxes accruing from the Store Closing Sales to the applicable Governmental Units as and when due, provided that in the case of a bona fide dispute, the Debtors are only directed to pay such taxes upon the resolution of the dispute, if and to the extent that the dispute is decided in favor of the applicable Governmental Unit. For the avoidance of doubt, sales taxes collected and held in trust by the Debtors shall not be used to pay any creditor or any other party, other than the applicable Governmental Unit for which the sales taxes are collected.

21. Pursuant to section 363(f) of the Bankruptcy Code, the Consultant, on behalf of the Debtors, is authorized to sell all Store Closing Assets pursuant to the Agreement and in accordance with the Sale Guidelines. All sales of Store Closing Assets, whether by the Consultant or the Debtors, shall be free and clear of any and all liens, claims, and encumbrances; *provided, however*, that any liens, claims, and encumbrances shall attach to the proceeds of the

sale of the applicable Store Closing Assets with the same validity and priority and to the same extent and amount that any such liens, claims, and encumbrances had with respect to such Store Closing Assets, subject to any claims and defenses that the Debtors may possess with respect thereto and subject to the Consultant's fees and expenses pursuant to the Agreement.

22. To the extent that the Debtors propose to sell or abandon Store Closing Assets that may contain any personal and/or confidential information about the Debtors' employees and/or customers (the "Confidential Information"), the Debtors shall remove all such the Confidential Information from such Store Closing Assets before they are sold or abandoned.

23. The Debtors and the Consultant are authorized and empowered to transfer Store Closing Assets among the Stores. The Consultant is authorized to sell or abandon the Store Closing Assets in accordance with the terms of the Agreement and the Sale Guidelines; *provided, however*, to the extent any of the Store Closing Assets remain at a Store on the effective date of rejection for the underlying lease, such Store Closing Assets shall be deemed abandoned to the affected Landlord at the time of any rejection of the lease with the right of the Landlord to dispose of such property free and clear of all interests and without notice or liability to any person or entity.

24. In accordance with Section 8.3 of the Agreement, the Consultant is authorized to supplement the Merchandise in the Stores with Additional Consultant Goods. Sales of Additional Consultant Goods shall be run through the Debtors' cash register systems; *provided, however*, that the Consultant shall mark the Additional Consultant Goods using either a unique SKU or department number or in such other manner so as to distinguish the sale of Additional Consultant Goods from the sale of Merchandise. The Consultant also shall ensure

that the Additional Consultant Goods are marked in such a way that a reasonable consumer could identify the Additional Consultant Goods from the Merchandise.

25. The transactions under the Agreement relating to the Additional Consultant Goods are, and shall be construed as, a true consignment from the Consultant to the Debtors in all respects and not a consignment for security purposes. At all times and for all purposes, the Additional Consultant Goods and their proceeds shall be the exclusive property of the Consultant, and no other person or entity (including, without limitation, the Debtors, or any third person claiming a security interest in the Debtors' property, including any of the Debtors' secured lenders, shall have any claim against any of the Additional Consultant Goods or the proceeds thereof. The Additional Consultant Goods shall at all times remain subject to the exclusive control of the Consultant, and the Consultant shall insure the Additional Consultant Goods and, if required, promptly file any proofs of loss with regard thereto.

26. The Consultant and the respective Landlord of each Store are authorized to enter into a side letter agreement (a "Side Letter Agreement") to govern the conduct of the Store Closing Sales at the applicable Store and such Side Letter Agreements shall control over the Sale Guidelines and this Interim Order.

D. Resolution Procedures for Disputes Regarding Liquidation Laws

27. To the extent that the Store Closing Sales at the Stores are conducted in accordance with this Interim Order and the Sale Guidelines, and are therefore conducted under the supervision of this Court, such Store Closing Sales are authorized notwithstanding any federal, state, or local statute, ordinance, rule, or licensing requirement directed at regulating "going out of business," "store closing," similar inventory liquidation sales, or bulk sale laws, including laws restricting safe, professional and non-deceptive, customary advertising such as signs, banners, posting of signage, and use of sign-walkers in connection with the sale and

including ordinances establishing license or permit requirements, waiting periods, time limits or bulk sale restrictions (collectively, the “Liquidation Laws”) that contain exemptions for court-ordered sales. Given such exemptions, the Debtors shall be presumed to be in compliance with all Liquidation Laws and are authorized on an interim basis to conduct the Store Closing Sales in accordance with the terms of this Interim Order and the Sale Guidelines without the necessity of showing compliance with any of the Liquidation Laws.

28. To the extent that any Governmental Unit asserts a dispute related to the any Liquidation Law, such Governmental Unit may assert a dispute (a “Liquidation Dispute”) by serving written notice (a “Dispute Notice”) of such Liquidation Dispute on the Notice Parties and the affected Landlord. If the Debtors, the Consultant, the affected Landlord, and the Governmental Unit are unable to resolve the Liquidation Dispute within 14 days of service of the Dispute Notice, such governmental unit may file a motion with this Court requesting consideration and resolution of the Liquidation Dispute (a “Dispute Resolution Motion”), which shall be heard at the next regularly scheduled omnibus hearing in these Chapter 11 Cases. The filing of a Dispute Resolution Motion shall not be deemed to affect the finality of this Interim Order or to limit or interfere with the Debtors’ or the Consultant’s ability to conduct or to continue to conduct the Closing Sales pursuant to this Interim Order and in accordance with the Sale Guidelines, absent further order of this Court.

29. Within two (2) business days of the entry of this Interim Order, the Debtors shall serve copies of this Interim Order, which includes the Agreement and the Sale Guidelines, by email, facsimile, or regular mail on the Applicable Governmental Units and the Landlords.

E. Miscellaneous

30. Nothing in this Interim Order shall be deemed to constitute a postpetition assumption of any agreement under section 365 of the Bankruptcy Code.

31. Non-material modifications, amendments, or supplementations to the Agreement and related documents by the parties may be made in accordance with the terms thereof without further order of this Court.

32. This Court shall retain exclusive jurisdiction with regard to all issues or disputes arising from or relating to the implementation, interpretation, or enforcement of this Interim Order or the Agreement, including, but not limited to, any claim or issue relating to any efforts by any party or person to prohibit, restrict or in any way limit the Store Closing Sales in accordance with the Sale Guidelines, or any other disputes related to the Store Closing Sales. No parties or person shall take any action against the Debtors or the Consultant until this Court has resolved such dispute. This Court shall hear the request of such parties or persons with respect to any such disputes on an expedited basis, as may be appropriate under the circumstances.

33. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests in respect of payments made in accordance with this Interim Order that are dishonored or rejected.

34. Each of the Debtors' banks and financial institutions is authorized to honor checks presented for payment and all fund transfer requests made by the Debtors, to the extent that sufficient funds are on deposit in the applicable accounts, in accordance with this Interim Order and any other order of this Court.

35. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall create, nor is intended to create, any rights in favor of, or enhance the status of any claim held by, any person.

36. Nothing in this Interim Order is intended to affect any rights of any Applicable Governmental Unit to enforce any law affecting the Debtors' conduct of the Store Closing Sales prior to the Petition Date.

37. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

38. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

39. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

Dated: February __, 2017
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Sale Guidelines

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

-----X
 :
 In re: : Chapter 11
 :
 THE WET SEAL, LLC, *et al.*, : Case No. 17-10229 (____)
 :
 Debtors.¹ : (Jointly Administered)
 :
 -----X

SALE GUIDELINES

The following procedures (the “Sale Guidelines”) shall apply to the store closing sale (each, a “Store Closing Sale” and collectively, the “Store Closing Sales”) to be held at each of the store locations (each, a “Store” and collectively, the “Stores”) operated by the above-captioned debtors in possession (collectively, “Wet Seal”), subject to the agreement (the “Agreement”)² dated as of January 20, 2017, by and among Hilco Merchant Resources, LLC and Gordon Brothers Retail Partners, LLC (together, the “Consultant”), and Wet Seal, and in accordance with the order of the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) approving the Store Closing Sales in accordance with these Sale Guidelines:

1. Each Store Closing Sale shall be conducted so that the Store in which sales are to occur will remain open no longer than during the normal hours of operation provided for in the respective leases for the Stores.
2. Each Store Closing Sale shall be conducted at the Stores during the normal business hours maintained at each Store by Wet Seal prior to the filing of their bankruptcy petitions; provided that Wet Seal may in its discretion modify the business hours as necessary or advisable.
3. Conspicuous signs stating that “all sales are final” and “as is” will be posted at the cash register areas at all Stores.
4. The Consultant and Wet Seal may advertise each Store Closing Sale as a “store closing,” “sale on everything,” “everything must go,” “liquidation sale,” “winter clearance outlet,” “winter clearance entire store on sale,” “nothing held back,” or similar themed sale. The Consultant and Wet Seal may also have “countdown to closing” signs prominently displayed in a manner consistent with these Sale Guidelines.

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: The Wet Seal, LLC (2741) The Wet Seal Gift Card, LLC (3286); Mador Financing, LLC (1377). The Debtors’ corporate headquarters is located at 7555 Irvine Center Drive, Irvine, California 92618.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

5. The Consultant and the Merchant shall be permitted to utilize exterior banners at (i) non-enclosed mall Stores and (ii) enclosed mall Stores to the extent the entrance to the applicable Store does not require entry into the enclosed mall common area; provided, however, that such banners (A) shall not exceed 4 feet by 40 feet in size; (B) shall be located or hung so as to make clear that the Sale is being conducted only at the affected Store; and (C) shall not be wider than the storefront of the Store.

6. Except with respect to the hanging of exterior banners, the Consultant and Wet Seal shall not make any alterations to the storefront or exterior walls of any Stores.

7. No landlord, licensor, property owner, and/or property manager (each, a "Landlord" and collectively, the "Landlords") shall prohibit, restrict, or otherwise interfere with any Store Closing Sale at any Store.

8. The Consultant and Wet Seal Authority shall not make any alterations to interior or exterior Store lighting. No property of a Landlord of a Store shall be removed or sold during any Sale. The hanging of exterior banners or signage or banners in a Store shall not constitute an alteration to a Store.

9. The Consultant and Wet Seal shall be permitted to utilize sign-walkers in a safe and professional manner.

10. On "shopping center" property, neither Wet Seal nor the Consultant shall distribute handbills, leaflets, or other written materials to customers outside of any Store's premises, unless permitted by the lease or, if distribution is customary in the "shopping center" in which such Store is located; provided that Wet Seal and the Consultant may solicit customers in the Stores themselves. On "shopping center" property, Wet Seal and the Consultant shall not use any flashing lights or amplified sound to advertise the Store Closing Sale or solicit customers, except as permitted under the applicable lease or agreed to by the Landlord.

11. The Consultant and Wet Seal shall be permitted to utilize a-frames, to be used only with secure tiedowns, and exterior banners at (i) non-enclosed mall Stores and (ii) enclosed mall Stores to the extent the entrance to the applicable Store does not require entry into the enclosed mall common area.

12. With respect to any Stores located in enclosed mall locations, no exterior signs or signs in common areas of a mall shall be used unless otherwise expressly permitted in these Sale Guidelines.

13. The Consultant and Wet Seal shall keep Store premises and surrounding areas clean and orderly consistent with present practices.

14. Nothing contained in these Sale Guidelines shall be construed to create or impose upon the Consultant and Wet Seal any additional restrictions not contained in the applicable lease agreement.

15. Subject to the provisions of the Agreement, the Consultant and Wet Seal shall have the right to sell all FF&E. The Consultant and Wet Seal may advertise and sell FF&E

in a manner consistent with these Sale Guidelines and the Agreement. The purchasers of any FF&E sold at any of the Stores shall be permitted to remove the FF&E either through the back shipping areas at any time, or through other areas after Store business hours, consistent with the operating hours of the Store or shopping center.

16. All Merchandise and FF&E shall be sold free and clear of all claims, liens, and encumbrances.

17. Upon the earlier of (i) the completion of the Store Closing Sale at a Store or (ii) the Sale Termination Date, the Consultant shall leave each Store in broom clean condition and shall abandon any Merchandise and FF&E in a neat and orderly manner.

18. The Consultant and Wet Seal may abandon any Merchandise and FF&E not sold in a Store Closing Sale at the Store at the earlier of the conclusion of the Sale Term at the applicable Store or the Sale Termination Date.

19. The Consultant and its respective agents and representatives shall continue to have exclusive and unfettered access to the Stores until the conclusion of the applicable Sale Term for each Store under the Agreement.

20. The rights of any Landlord as against Wet Seal's estates for any damages caused to a Store shall be reserved in accordance with the provisions of the applicable lease. If and to the extent that a Landlord of any Store affected hereby contends that the Consultant or Wet Seal is in breach of or default under these Sale Guidelines, such Landlord shall deliver notice on the following parties by email or deliver written notice so as to ensure delivery thereof within one business day thereafter: (i) counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attn: Michael R. Nestor, Esq. (mnestor@ycst.com) and Andrew L. Magaziner, Esq. (amagaziner@ycst.com), (ii) counsel to the Consultant, Riemer & Braunstein LLP, Times Square Tower, Suite 2506, Seven Times Square, New York, NY 10036, Attn: Steven Fox, Esq. (sfox@riemerlaw.com); and (iii) counsel to any statutory committee.

[End of Sale Guidelines]

EXHIBIT 2

Agreement

AMENDED AND RESTATED CONSULTING AGREEMENT

This Amended and Restated Consulting Agreement, dated as of February 1, 2017 (this "Agreement") is made by and between a contractual joint venture comprised of Hilco Merchant Resources, LLC and Gordon Brothers Retail Partners, LLC (the "Consultant"), and The Wet Seal, LLC and its affiliates (collectively, the "Company" or the "Merchant").

RECITALS:

WHEREAS, Merchant operates retail stores and desires to retain Consultant to act as consultant for the purpose of advising Merchant, on an exclusive basis, with respect to a sale of the Merchandise and FF&E (each as defined below), located at Merchant's retail store locations identified on **Exhibit A** attached hereto or sold through its e-commerce website (each individually, a "Store", and collectively, the "Stores") as well as certain Merchandise and FF&E currently located or to be located in the Merchant's distribution centers and corporate headquarters which Merchant requires to be sold through the Sale, by means of a promotional "everything must go," "sale on everything," or similar themed sale and, as further provided for below, a "going out of business" or "store closing" sale (the "Sale").

WHEREAS, Consultant is willing to serve as the Merchant's exclusive consultant for the purpose of providing such consulting services, upon the terms and conditions and in the manner set forth in this Agreement.

WHEREAS, prior to the date hereof, the Sale commenced pursuant to that certain Consulting Agreement executed by the parties on January 20, 2017.

WHEREAS, contemporaneously herewith, Merchant contemplates filing a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "Court") and desires for the Sale to continue from and after any such bankruptcy filing on the terms set forth herein.

WHEREAS, in connection therewith, this Agreement amends and restates the Consulting Agreement in its entirety and shall be the subject of a motion to assume same as part of Merchant's "first-day" filings with the Court.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. Definitions

For the purposes of this Agreement, the terms listed below shall have the respective meanings indicated:

"Approval Order" shall have the meaning ascribed to it in Section 2.1(b) hereof.

"Consultant Controlled Expenses" shall have the meaning ascribed to it in Section 3.1 hereof.

"Consultant Controlled Expense Budget" shall mean the Consultant Controlled Expense Budget, a copy of which is attached hereto as **Exhibit B**.

"Gross Proceeds" shall mean all proceeds of sales of Merchandise (excluding applicable sales tax) derived from the Sale, provided, however, that it is expressly understood and agreed, that Gross

Proceeds (i) shall not include proceeds of sales made prior to the Sale Commencement Date or after the Sale Termination Date (including items which were sold prior to the Sale Commencement Date but delivered following the Sale Commencement Date); and (ii) shall include proceeds of sales made at the Stores or through Merchant's e-commerce website.

"Lender" shall mean Crystal Financial, LLC.

"Merchandise" shall mean each item of saleable inventory at the Stores as of the Sale Commencement Date or received subsequently, provided that Merchant and Consultant shall mutually agree on an allocation schedule for inventory to be received at the Stores after the Sale Commencement Date.

"Retail Price" shall mean, with respect to each item of Merchandise, the lowest ticketed price of such item, or lowest file price for such item as reflected in Merchant's books and records as of the Sale Commencement Date, excluding (i) any point of sale discounts or similar adjustments regardless of duration on the Sale Commencement Date, (ii) employee discounts; (iii) multi-unit purchase discounts; (iv) adjustments for damaged, defective or "as-is" items; (v) coupons (Merchant's or competitors'), catalog, website, or circular prices, or "buy one get one" type discounts; or (vi) similar customer specific, temporary, or employee non-product specific discounts or pricing accommodations. The aggregate retail price of the Merchandise as of the Sale Commencement Date is estimated to be approximately \$42 million.

"Sale Commencement Date" shall mean January 23, 2017.

"Sale Expenses" shall mean all expenses incurred in connection with the Sale, including without limitation: (i) advertising expenses (including direct media costs, agency fees and production costs); (ii) payroll for Store-level employees utilized in connection with the Sale, and related employee benefits and payroll taxes; (iii) maintenance and store cleaning costs; (iv) security costs; (v) credit card processing fees (at Merchant's customary rates); (vi) employee bonuses in an amount mutually agreed by Merchant and Consultant; (vii) all occupancy costs (e.g., rent, percentage rent, CAM charges, HVAC charges, real estate taxes, etc.) relative to the Stores; (viii) insurance; (ix) telephone charges; and (x) all Supervisor Costs in accordance with Section 2.3 hereof.

"Sale Term" shall mean the period of time beginning with the Sale Commencement Date and ending on the Sale Termination Date.

"Sale Termination Date" shall mean the earlier of an Early Sale Termination or a date determined by Merchant and Consultant, with the written consent of the Lender, to terminate the Sale at the Stores, which is estimated to be no later than February 28, 2017 (such agreed upon date, the "Outside Termination Date"), provided, the Sale Termination Date can be extended to a mutually agreed upon date.

"Services" shall mean the services to be performed by Consultant pursuant to Section 2.2 of this Agreement.

"Store Employees" shall mean those employees of the Merchant retained to conduct the Sale following consultation with Consultant.

"Special Purpose Payment" shall have the meaning set forth in Section 4.3 of this Agreement.

"Supervisor(s)" shall mean the individual(s) whom Consultant shall indirectly engage to provide Services in the Stores to Merchant in connection with the Sale in accordance with Section 2.3 below.

"Supervisor Costs" shall have the meaning set forth in Section 2.3 of this Agreement.

2. Consulting Services

2.1

(a) Merchant hereby retains Consultant and Consultant hereby agrees to serve as an independent consultant to the Merchant in connection with the conduct of the Sale as set forth herein. With respect to the Sale, Consultant shall serve as the sole and exclusive consultant to the Merchant relative thereto throughout the Sale Term.

(b) If, after execution of this Agreement, Merchant becomes subject to the jurisdiction of the Court or any other United States Bankruptcy Court, Merchant shall promptly, as part of Merchant's "first day" filings, seek authorization, assumption, and/or approval of this Consulting Agreement, the transactions contemplated hereby, and Merchant's conduct of the Sale consistent with this Agreement pursuant to an order and sale guidelines reasonably acceptable to Merchant and Consultant (the "Approval Order").

2.2 On the terms and conditions set forth herein, commencing as of the Sale Commencement Date and through the Sale Term, Consultant shall provide Merchant with the following services ("Services") with respect to the conduct of the Sale:

(a) provision of qualified Supervisors to supervise and conduct the Sale as further described in Section 2.3 below; provided that the determination of the number of Supervisors supplied for the Sale shall be determined by Consultant following consultation with Merchant;

(b) provide Merchant with such oversight, supervision and guidance with respect to the conduct of the Sale and the liquidation and disposal of the Merchandise from the Stores and distribution centers as may be required in order to maximize Gross Proceeds;

(c) assist Merchant to commence the Sale as a "sale on everything," "everything must go" or other mutually agreed upon theme prior to any bankruptcy filing by Merchant and transition later in the Sale Term and after any such bankruptcy filing, to a "store closing," "going out of business," or other mutually agreed upon theme;

(d) advise Merchant, to the extent Merchant desires to have the Sale commence as a "store closing" prior to any bankruptcy filing, with respect to the legal requirements of affecting the Sale as a "store closing" or other mutually agreed upon theme in compliance with applicable state and local "going out of business" laws. In connection with such obligation, Consultant will (i) advise Merchant of the applicable waiting period under such laws, and/or (ii) prepare (in Merchant's name and for Merchant's signature) all permitting paperwork as may be necessary under such laws, deliver all such paperwork to Merchant, and file, on behalf of Merchant, all such paperwork where necessary, and/or (iii) advise where permitting paperwork and/or waiting periods do not apply;

- (e) recommend and implement appropriate point of purchase, point of sale and other internal and external advertising to effectively sell the Merchandise during the Sale Term, consistent with the theme of the Sale;
- (f) advise Merchant as to appropriate pricing and discounting of Merchandise, appropriate staffing levels for the Stores (including Store Employees) (and Merchant agrees to take direction from Consultant with regard to Store employee staffing levels), and appropriate bonus and incentive programs for Store Employees;
- (g) recommend to Merchant loss prevention programs designed to protect the inventory from shrinkage;
- (h) advise Merchant on consolidating Stores and closing Stores prior to the Sale Termination Date in order to maximize the net proceeds generated to Merchant from the Sale; and
- (i) provide such other related services mutually deemed necessary or prudent by Merchant and Consultant under the circumstances giving rise to the Sale.

2.3 In connection with the Sale, Consultant shall indirectly retain and engage the Supervisors. The Supervisors are independent contractors and are not and shall not be deemed to be employees or consultants of Merchant in any manner whatsoever; nor do the Supervisors have any relationship with Merchant by virtue of this Agreement or otherwise which creates any liability or responsibility on behalf of Merchant for the Supervisors. During the Sale Term, the Supervisors shall perform Services during normal Store operating hours and for the period of time prior to the Stores opening and subsequent to the Stores closing, as required in connection with the Sale, in Consultant's discretion. The Consultant shall provide qualified supervision for the Sale as recommended by Consultant and agreed by Merchant, the expense for which is included in the Consultant Controlled Expense Budget. In consideration of Consultant's engagement of the Supervisors, Merchant agrees to pay Consultant, as a Sale Expense, the Supervisor-related wages, fees, travel, expense, deferred compensation and third-party payroll costs and expenses, in accordance with and subject to the Consultant Controlled Expense Budget (collectively, the "Supervisor Costs"). The Supervisor Costs set forth on the Consultant Controlled Expense Budget include, among other things, industry standard deferred compensation. The Merchant shall reimburse Consultant for all Supervisor Costs weekly, in connection with each weekly settlement as provided in Section 4.1 hereof, based upon invoices or other documentation reasonably satisfactory to Merchant.

2.4 Title to all Merchandise shall remain with Merchant at all times during the Sale Term until such Merchandise is sold. Although Consultant shall undertake Consultant's obligations under this Agreement in a manner designed to achieve the desired results of the Sale and to maximize the benefits to Merchant, Merchant expressly acknowledges that Consultant is not guaranteeing the results of the Sale. All sales of Merchandise in the Stores shall be made on behalf of Merchant, and all sales shall be final.

2.5 At the conclusion of the Sale, Consultant shall surrender the premises for each Store to Merchant or Merchant's designee in broom clean condition, subject to Consultant's right to abandon any FF&E, and in accordance with the lease requirements for such premises; provided, however, Merchant shall bear all costs and expenses associated with surrendering the premises in accordance with the lease requirements for such premises.

3. Expenses: Consultant's Fees

3.1 Sale Expenses; Consultant Controlled Expenses. In connection with the Sale, the Merchant shall be responsible for the payment of all expenses incurred in connection with the Sale, including all Sale Expenses. To control certain Sale Expenses, Merchant and Consultant, with the consent of the Lender, have agreed to the Consultant Controlled Expense Budget attached hereto as Exhibit B, setting forth the following projected expenses with respect to the certain delineated Sale Expenses, including (i) base payroll for Store Employees used in connection with the Sale during the Sale Term; (ii) Supervisor Costs; (iii) advertising and signage expense; and (iv) miscellaneous expenses (collectively, "Consultant Controlled Expenses"). Merchant shall be responsible for and shall pay all Consultant Controlled Expenses incurred in connection with the Sale, except as provided for herein. Consultant shall not incur, or cause Merchant to incur, Consultant Controlled Expenses in excess of aggregate amounts set forth on the Consultant Controlled Expense Budget without the prior written consent of the Merchant and the Lender. In the event that Merchant and Lender shall not approve any such overage with respect to Consultant Controlled Expenses and Consultant nevertheless incurs or causes such Consultant Controlled Expenses to be incurred, then Merchant shall not be obligated to reimburse Consultant for such Consultant Controlled Expenses in excess of the aggregate amount on the Consultant Controlled Expense Budget. It is anticipated that Consultant may advance funds for certain categories of Consultant Controlled Expenses, and Merchant shall reimburse Consultant therefor (in connection with each weekly reconciliation provided for in Section 4.1 hereof) upon presentation of invoices and statements for such expenses, which reimbursement shall be in addition to any Consulting Fee and/or FF&E Fee earned and payable hereunder. Merchant shall reimburse Consultant weekly, in connection with each weekly settlement as provided in Section 4.1 hereof, for all Consultant Controlled Expenses incurred or paid directly by Consultant. The Consultant Controlled Expense Budget shall not be modified without the prior written consent of Lender.

3.2 Consultant's Fee. In consideration of Consultant's Services provided hereunder in connection with the Sale, Merchant shall pay to Consultant, from Gross Proceeds, a fee (the "Consulting Fee") equal to one and a half percent (1.5%) of Gross Proceeds.

In addition to the foregoing, if the aggregate amount of Consultant Controlled Expenses is less than the total amount set forth in the Consultant Controlled Expense Budget, as part of the Consulting Fee, Consultant shall be entitled to payment of an amount equal to 5.0% of the difference between (x) the total amount of Consultant Controlled Expenses set forth in the Consultant Controlled Expense Budget, and (y) the actual total of Consultant Controlled Expenses.

For purposes of calculating Gross Proceeds and the Consultant's Fee, the parties shall use the "Gross Rings" method inclusive of a shrink adjustment of 2.0%, wherein Consultant and Merchant shall jointly keep (i) a strict count of gross register receipts less applicable sales taxes, and (ii) cash reports of sales within each Store. Register receipts shall show for each item sold the retail price (as reflected on Merchant's books and records) for such item, and the markdown or other discount granted in connection with such sale. All such records and reports shall be made available to Consultant and Merchant during regular business hours upon reasonable notice.

3.3 Fixtures Disposition. In addition to the Services provided for herein, with respect to furniture, fixtures and equipment owned by Merchant and located at the Stores, distribution centers and corporate headquarters (collectively, the "FF&E"), Consultant shall sell the FF&E so designated by Merchant, on an "as is where is" basis for Merchant's benefit. Consultant shall advertise in the context of advertising for the Sale that items of FF&E are available for sale, and shall contact and solicit known purchasers and dealers of furniture and fixtures. In consideration of providing such services, Consultant shall retain twenty percent (20%) of the gross receipts (net only of applicable

sales taxes, if any, and any expenses incurred by Merchant in connection with such disposition) from all sales or other dispositions of FF&E (the "FF&E Fee"). In addition, Consultant shall be responsible for Consultant's own out of pocket expenses incurred in connection with the sale or other disposition of the FF&E (including without limitation costs of commissions and advertising). Consultant shall have no liability to Merchant or any third party for Consultant's failure to sell any or all of the FF&E, and shall have the right to abandon such unsold FF&E on the Sale Termination Date.

4. Sale Proceeds; Weekly Settlement

4.1 Sale Proceeds; Sale Reconciliation. All proceeds of sales of Merchandise and FF&E through the Sale shall be collected by Merchant's Store management personnel and deposited into Merchant's existing Store-level deposit accounts (the "Sale Accounts"). Merchant shall, upon request, deliver to Consultant account statements and such other information relating to the Sale Accounts reasonably requested by Consultant, with a copy to Lender upon the request of Lender. On Wednesday of each week, commencing on the second Wednesday following the Sale Commencement Date, Consultant and Merchant shall reconcile the results of the Sale for the prior week, including, without limitation, Gross Proceeds of Merchandise, sales of FF&E, Consultant Controlled Expenses, and any Consulting Fee and FF&E Fee earned and payable hereunder, and Merchant shall pay to Consultant on a weekly basis, in connection with such weekly settlement, the following amounts:

- (i) Consultant Controlled Expenses incurred or paid by Consultant for such prior week;
- (ii) anticipated Consultant Controlled Expenses for the next succeeding week of the Sale;
- (iii) Consultant's FF&E Fees on account of the prior week's sales of FF&E; and
- (iv) all proceeds from the sale of Additional Consultant Goods, less the Additional Consultant Goods Fee.

All remaining Sale proceeds from the prior weekly period shall be retained by Merchant. Upon completion of Final Settlement, (a) any Consulting Fee, any remaining unpaid Consultant FF&E Fee, any remaining unreimbursed Consultant Controlled Expenses, and any remaining unremitted proceeds of Additional Consultant Goods shall be paid to Consultant; and (b) any remaining amounts after satisfaction of amounts described in clause (a) shall be retained by the Merchant.

4.2 Credit Card Proceeds. Merchant shall have control over all Store employees and shall handle the cash, debit and charge card payments for all Merchandise in accordance with Merchant's customary cash management practices and procedures, subject to Consultant's right to audit any such items. Merchant shall provide throughout the Sale Term Merchant's current credit card systems and servicing arrangements (including Merchant's credit card terminals and processor(s), credit card processor coding and bank accounts) during the course of the Sale.

4.3 Special Purpose Payment. Concurrently with the execution of, and as a condition to Consultant's obligations under, this Agreement, Merchant shall fund to Consultant three hundred and fifty thousand dollars (\$350,000) (the "Special Purpose Payment") which shall be held by Consultant until the Final Settlement (and Merchant shall not apply the Special Purpose Payment to, or otherwise offset any portion of the Special Purpose Payment against, any weekly reimbursement, payment of fees, or other amount owing to Consultant under this Agreement prior to the Final Settlement, except

as provided for below) and shall be for all of Consultant's expenses, including without limitation for signage, supervision fees, travel, and any other out-of-pocket expenses incurred in connection with the Sale and for any proceeds on Additional Consultant Goods (as defined below) not yet remitted to Consultant pursuant to the weekly reconciliation above. Without limiting any of Consultant's other rights, Consultant may apply the Special Purpose Payment to any unpaid obligation owing by Merchant to Consultant under this Agreement. Any portion of the Special Purpose Payment not used to pay amounts explicitly contemplated by this Agreement shall be returned to Merchant within three days following the Final Reconciliation. Beginning with the first weekly reconciliation to occur after any bankruptcy filing by Merchant and assumption of this Agreement, Consultant shall, at Merchant's request, begin to apply the Special Purpose Payment to amounts payable hereunder.

4.4 Final Settlement. As soon as possible following the conclusion of the Sale and in no event later than thirty (30) days following the end of the Sale Term, Merchant (in consultation with Lender) and Consultant shall complete a Final Settlement of all amounts contemplated by this Agreement ("Final Settlement"), including, without limitation, the determination and payment of any fees due Consultant and all reimbursements contemplated hereby.

5. Store Employees

5.1 Store Employees. Consultant and Merchant shall cooperate to retain the employees of the Merchant, as designated by Consultant, to be utilized to conduct the Sale at the Stores during the Sale Term. All such employees shall remain employees of the Merchant, and Consultant shall have no liability to the Store Employees (including any of Merchant's former employees) of any kind or nature whatsoever, including without limitation, with respect to severance pay, termination pay, vacation pay, pay in lieu of reasonable notice of termination, or any other expenses or liability arising from Merchant's or Merchant's employment of such Store Employees prior to, during, and subsequent to the Sale. Consultant shall not change the terms of employment of any Store Employees and Merchant shall remain the employer thereof.

6. Representation and Warranties of Consultant

6.1 Consultant hereby represents warrants and covenants in favor of Merchant as follows:

(a) Consultant has taken all necessary action required to authorize the execution, performance and delivery of this agreement, and to consummate the transactions contemplated hereby.

(b) This Agreement is a valid and binding obligation of Consultant enforceable in accordance with its terms.

(c) No action or proceeding has been instituted or, to Consultant's knowledge, threatened, affecting the consummation of this Agreement or the transactions contemplated herein.

7. Representations and Warranties of Merchant

7.1 Merchant hereby represents warrants and covenants in favor of Consultant as follows:

(a) Merchant has taken all necessary action required to authorize Merchant's execution, performance and delivery of this Agreement, and to consummate the transactions contemplated hereby.

(b) This Agreement is a valid and binding obligation of the Merchant enforceable in accordance with its terms.

(c) No action or proceeding has been instituted or, to the Merchant's knowledge, threatened, affecting the consummation of this Agreement or the transactions contemplated herein.

8. Affirmative Duties of Consultant

8.1 Except as may be provided otherwise in any Approval Order, Consultant shall advise Merchant with respect to the legal requirements of affecting the Sale as a "store closing" or other mutually agreed upon theme in compliance with applicable state and local "going out of business" laws and in obtaining all permits and governmental consents required in order to conduct the Sale under such laws.

8.2 The Consultant, on a joint and several basis, shall indemnify and hold Merchant and Merchant's affiliates, and their respective officers, directors, employees, consultants, and independent contractors (collectively, "Merchant Indemnified Parties"), harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from, or related to:

i. Consultant's material breach of or failure to comply with any of Consultant's agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;

ii. any harassment or any other unlawful, tortious or otherwise actionable treatment of any employees or consultants of Merchant by Consultant or any of Consultant's representatives;

iii. any claims by any party engaged by Consultant as an employee or independent contractor arising out of such employment; except where due to the gross negligence or willful misconduct of Merchant or from a breach of the terms hereof by Merchant; and

iv. the gross negligence or willful misconduct of Consultant or any of Consultant's officers, directors, employees, consultants or representatives, or any Supervisor.

8.3 Additional Consultant Goods. The inclusion of Additional Consultant Goods (as defined below) in the Sale shall be subject to the mutual agreement of Merchant and Consultant as to the terms and conditions with respect thereto, which terms and conditions may include that:

(a) Subject to (i) compliance with applicable laws; and (ii) the implementation of first lien priority UCC-type security arrangements and intercreditor agreements or arrangements with the Lender and any other secured lender of Merchant, in all cases satisfactory to Consultant in Consultant's sole discretion, Consultant shall have the right, at Consultant's sole cost and expense, to supplement the Merchandise in the Sale at the Stores only with additional goods procured by Consultant which are of like kind to the Merchandise in the Sale at the Stores ("Additional Consultant Goods"). The Consultant

shall consult with Merchant with respect to the Additional Consultant Goods to ensure that the Additional Consultant Goods are of like kind to the Merchandise in the Sale at the Stores and are in categories designed to enhance the Sale at the Stores. The Additional Consultant Goods shall be purchased by Consultant as part of the Sale and delivered to the Stores at Consultant's sole expense (including actual invoice cost, materials, labor, ticketing, freight and insurance relative to including such Additional Consultant Goods in the Sale (collectively, "Cost of Goods Sold")). Sales of Additional Consultant Goods shall be run through Merchant's cash register systems; provided however, that Consultant shall mark the Additional Consultant Goods using either a "dummy" SKU or department number, or in such other manner so as to distinguish the sale of Additional Consultant Goods from the sale of Merchandise. Consultant and Merchant shall also cooperate so as to ensure that the Additional Consultant Goods are marked in such a way that a reasonable consumer could identify the Additional Consultant Goods as non-Merchant goods.

(b) Consultant shall pay to Merchant an amount equal to twenty percent (20.0%) of the gross proceeds (less Sale Taxes) from the sale of the Additional Consultant Goods (the "Additional Consultant Goods Fee") and Consultant shall retain all remaining amounts from the sale of the Additional Consultant Goods. Consultant shall pay Merchant the Additional Consultant Goods Fee in connection with each weekly sale reconciliation with respect to sales of Additional Consultant Goods sold by Consultant during the prior week (or at such other mutually agreed upon time). Proceeds of the Additional Consultant Goods (less the Additional Consultant Goods Fee) shall be distributed on a weekly basis (in connection with each weekly reconciliation contemplated above) to Consultant.

(c) Consultant and Merchant intend that the transactions relating to the Additional Consultant Goods are, and shall be construed as, a true consignment under Article 9 of the UCC from Consultant to Merchant in all respects and not a consignment for security purposes. Subject solely to Consultant's obligations to pay to Merchant the Additional Consultant Goods Fee, at all times and for all purposes the Additional Consultant Goods and their proceeds shall be the exclusive property of Consultant, and no other person or entity shall have any claim against any of the Additional Consultant Goods or their proceeds. The Additional Consultant Goods shall at all times remain subject to the exclusive control of Consultant. The Lender hereby acknowledges that subject solely to Consultant's obligations to pay the Merchant the Additional Consultant Goods Fee and the Lender's security interest therein, the Additional Consultant Goods are not property of the Merchant and do not constitute collateral of the Merchant's subject to the Lender's lien.

(d) Merchant shall insure the Additional Consultant Goods under Merchant's policies of insurance and name Consultant as an additional insured and, if required, promptly file any proofs of loss with regard to same with Merchant's insurers for the benefit of Consultant.

(e) Any Additional Consultant Goods not sold in the Stores during the Sale Term (or at any sooner time upon demand of Consultant) shall be immediately returned to Consultant, or Consultant's vendor(s) as directed by Consultant, at the cost of Consultant.

(f) Merchant acknowledges that the Additional Consultant Goods shall be consigned to Merchant as a true consignment under Article 9 of the Code. Consultant shall be granted a first priority security interest in and lien upon the Additional Consultant Goods and the Additional Consultant Goods proceeds. Consultant is hereby authorized to deliver all required notices and file all necessary financing statements and amendments thereof under the applicable UCC identifying Consultant's interest in the Additional Consultant Goods as consigned goods thereunder and the Merchant as the consignee therefor, and Consultant's security interest in and lien upon such Additional Consultant

Goods and Additional Consultant Goods proceeds). The preceding is subject in its entirety to any consents required by the Lender, or any other secured lender of Merchant with a floating lien on Merchant's inventory.

(g) Any Approval Order shall incorporate these provisions. In the event Consultant elects to delay the inclusion of Additional Consultant Goods in the Sale until entry of the Approval Order, Consultant, in its sole discretion, may waive those of these provisions that will be supplanted and/or superseded by such Approval Order.

9. Affirmative Duties of Merchant

9.1 Merchant shall be solely liable for, and shall pay when due, (i) all expenses (including, without limitation, Sale Expenses) which are necessary to conduct the Sale, including, without limitation, all taxes, costs, expenses, accounts payable and other liabilities relating to the Sale, the Stores, Store employees and any other consultants and representatives of Merchant payable hereunder, and (ii) all Supervisor Costs and Consultant's fees payable hereunder.

9.2 Merchant shall prepare and process all reporting forms, certificates, reports and other documentation required in connection with the payment of all applicable taxes to the appropriate taxing authorities.

9.3 Without limiting any other term or provision of this Agreement, during the Sale Term, Merchant shall provide Consultant, at no cost or expense to Consultant, with (i) central administrative services necessary to administer the Sale, (ii) employees at the Stores (to the extent reasonably agreed upon by Merchant and Consultant necessary to effect the Sale), and (iii) peaceful use and occupancy of, and reasonable access (including reasonable before and after hours access and normal utilities/phone service) to, the Stores and Merchant's corporate, offices for the purpose of preparing for, conducting, and completing the Sale as contemplated hereby. Merchant shall use reasonable efforts to cause Merchant's employees to cooperate with Consultant and the Supervisors.

9.4 Unless otherwise directed by Merchant, Consultant and Merchant shall honor gift cards and merchandise credits at the Stores, in accordance with store operation procedures to be mutually agreed upon between Merchant and the Consultant, with the full amount of such gift cards and merchandise credits constituting Gross Proceeds hereunder. No gift cards shall be sold from the Stores during the Sale Term.

9.5 Merchant shall collect all sales taxes and shall be solely responsible for reporting and paying the same to the appropriate taxing authorities in accordance with applicable law.

9.6 The Merchant, shall indemnify and hold each entity included within Consultant and Consultant's affiliates, and their respective officers, directors, employees, consultants and independent contractors (collectively, "Consultant Indemnified Parties"), harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from, or related to:

iii. Merchant's material breach of or failure to comply with any of Merchant's agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;

iv. any harassment or any other unlawful, tortious or otherwise actionable treatment of any employees or consultants of Consultant by Merchant or any of Merchant's representatives;

v. Merchant's failure to comply with Merchant's obligations to file all applicable tax returns and pay all applicable sales, value added and other taxes associated with the Sale as provided in this Agreement; and

vi. the gross negligence or willful misconduct of Merchant or any of Merchant's officers, directors, employees, consultants or representatives.

10. Insurance: Risk of Loss

10.1 Merchant shall maintain throughout the Sale Term, (i) Merchant's existing insurance with respect to the Merchandise at the Stores in amounts and on such terms and conditions as are consistent with Merchant's ordinary course operations and (ii) casualty and liability insurance policies (including, but not limited to, commercial liability, product liability, comprehensive public liability insurance and auto liability insurance) covering injuries to persons and property in or in connection with the operation of the Stores.

10.2 Consultant shall maintain throughout the Sale Term, liability insurance policies (including, but not limited to, commercial liability, comprehensive public liability and auto liability insurance) covering injuries to persons and property in or in connection with Consultant's provision of Services at the Stores.

10.3 Notwithstanding any other provision of this Agreement, Merchant and Consultant agree that Merchant shall bear all responsibility for liability claims (product liability and otherwise) of customers, employees and other persons arising from events occurring at the Stores before, during and after the Sale Term, except to the extent any such claim arises from the gross negligence, willful misconduct, or unlawful acts of the Consultant or any of Consultant Indemnified Parties.

10.4 Notwithstanding any other provision of this Agreement, Merchant and Consultant agree that (i) Consultant shall not be deemed to be in possession or control of the Stores or the Merchandise or other assets located therein or associated therewith, or of Merchant's employees located at the Stores, and (ii) Consultant does not assume any of Merchant's obligations or liabilities with respect to any of the matters addressed in subsection (1) above, except to the extent any such claim arises from the gross negligence, willful misconduct or unlawful acts of Consultant or any Consultant Indemnified Parties.

11. Miscellaneous

11.1 Any notice or other communication under this Agreement shall be in writing and may be delivered personally or sent by facsimile or by prepaid registered or certified mail, addressed as follows:

i. In the case of Consultant:

HILCO MERCHANT RESOURCES, LLC
5 Revere Drive, Suite 206
Northbrook, IL 60062 USA

Attention: Ian S. Fredericks
Tel: (847) 418-2075
Fax: (847) 897-0859
Email: ifredericks@hilcotrading.com

-and-

GORDON BROTHERS RETAIL PARTNERS, LLC
Prudential Tower
800 Boylston Street
Boston, MA 02119
Attn: Mackenzie Shea
Tel: 617.422.6519
Email: mshea@gordonbrothers.com

ii. In the case of Merchant:

THE WET SEAL, LLC
7555 Irvine Center Drive
Irvine, CA 92618
Attn: Robert Duffy and Steven Coulombe
Tel:
Email: bduffy@thinkbrg.com; scoulombe@thinkbrg.com

With a copy to:

Young Conaway Stargatt & Taylor, LLP
1000 N. King Street
Wilmington, DE 19809
Attn: Robert S. Brady
Tel:
Email: rbrady@ycst.com

iii. In the case of Lender:

CRYSTAL FINANCIAL, LLC
Two International Place
Boston, MA 02110
Attn: Michael Pizette
Rebecca Tarby
Tel:
Email: MPizette@crystalfinco.com; RTarby@crystalfinco.com

With a copy to:

Morgan Lewis & Bockius
One Federal Street
Boston, MA 02110
Attn: Sandra Vrejan
Tel:
Email: sandra.vrejan@morganlewis.com

11.2 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware, without reference to any conflict of law provisions.

11.3 Severability. In the event any term or provision contained within this Agreement shall be deemed illegal or unenforceable, then such offending term or provision shall be considered deleted from this Agreement and the remaining terms shall continue to be in full force and effect.

11.4 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect of the subject matter hereof and supersedes all prior negotiations and understandings, and can only be modified by a writing signed by Merchant and Consultant.

11.5 No Waiver. No consent or waiver by any party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligation of such party. Failure on the part of any party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

11.6 Assignment/Amendment. Neither Merchant nor Consultant shall assign this Agreement without the express written consent of the other. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and permitted assigns. No modification, amendment, or waiver of any of the provisions contained in this Agreement, or any future representation, promise, or condition in connection with the subject matter of this Agreement, shall be binding upon any party to this Agreement made in writing and signed by a duly authorized representative or agent of such party and consented to by the Lender. Lender shall be a third party beneficiary of this Agreement.

11.7 Counterparts. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts, together, shall constitute one and the same instrument. Delivery by email or facsimile of this Agreement or an executed counterpart hereof shall be deemed a good and valid execution and delivery hereof or thereof.

11.8 Independent Contractor. Nothing contained herein shall be deemed to create any relationship between Consultant and Merchant other than that of an independent contractor.

11.9 Termination. This Agreement shall terminate upon the completion and approval of the Final Settlement (as provided in Section 4.4 above) and full and final payment of all amounts owing by either party to the other under this Agreement.

Merchant may terminate the Sale at all, but not less than all, Stores and this Agreement may be terminated by Merchant at any time, in Merchant's sole discretion only with the prior written consent of Lender, prior to the Outside Termination Date upon Merchant's acceptable of an offer from a third party to purchase all or substantially all of the equity interests in or assets of Merchant (an "Early Sale Termination"). An Early Sale Termination shall be effective upon five (5) days' notice to Consultant only if accompanied by the express written consent of Lender consenting to such Early Sale Termination. Upon an Early Sale Termination, then, in addition to Consulting Fee and FF&E Fee payable for any period prior to an Early Sale Termination, then, Merchant shall pay Agent a fee equal to (x) the number of weeks between the Early Sale Termination and the Outside Termination Date multiplied by (y) twenty-five thousand dollars (\$25,000) (the "Breakup Fee"). For purposes of calculating the number of weeks between an Early Sale Termination and the Outside Termination

Date, (i) any period that may remain after determining the number of full weeks consisting of four or more days shall be deemed to be a full week and any period of three or fewer days shall be ignored; and (ii) the Outside Termination Date shall be the earlier of (a) March 31, 2017 and (b) such previously agreed-upon Outside Termination Date. In the event an Early Sale Termination occurs after a bankruptcy filing and assumption of this Agreement, but prior to the Outside Termination Date, then in addition to the Breakup Fee, Merchant shall buy any remaining Additional Consultant Goods at Consultant's Cost of Goods Sold or shall arrange for the third party purchaser to do the same. The foregoing repurchase obligation, along with Merchant's payment obligation for any fees or expenses owed to Consultant or any proceeds from the sale of Additional Consultant Goods, shall be secured by the Special Purpose Payment, granted administrative expense status pursuant to the Approval Order, and a first priority lien on all Merchandise, FF&E, and all Sale proceeds, through the above-referenced UCC-type security arrangements and intercreditor agreements.

Either party may terminate this Agreement in the event that the other commits a material breach of its obligations hereunder. If either party seeks to terminate this Agreement by reason of a claim of a material breach, such party shall provide the other party with not less than five (5) days' prior written notice stating with specificity the nature of the claimed material breach, and the party receiving such notice shall have three (3) business days in which to cure such material breach, failing which this Agreement shall be deemed terminated. In the event this Agreement is terminated for any reason other than a material breach of this Agreement by Consultant (which breach is not cured within any applicable time period provided under this Agreement), Consultant shall be entitled to be paid any Consulting Fee and FF&E Fee and any earned and accrued through the date of termination, and shall be reimbursed for all costs and expenses incurred by Consultant pursuant to the Consultant Controlled Expense Budget or the FF&E budget through the termination date. In the event of termination of this Agreement by Merchant based upon a material breach of this Agreement by Consultant (which breach is not cured within any applicable time period provided under this Agreement), Consultant shall not be entitled to payment of the Consultant Fee, FF&E Fee, Breakup Fee, and reimbursement of Consultant Controlled Expenses incurred by Consultant hereunder, provided that Consultant reserves the right to seek payment of all such amounts by motion filed with the Court upon proper notice to Merchant and Lender. The foregoing shall not limit in any way Merchant's obligation with respect to repayment of the proceeds of Additional Consultant Goods, for which Merchant shall be unconditionally obligated as provided in this Agreement, and the provisions of Section 8.3 shall remain in full force and effect.

11.10 Joint and Several Liability. All obligations of the Consultant under this Agreement are the joint and several obligations of Hilco Merchant Resources, LLC and Gordon Brothers Retail Partners, LLC.

11.11 Lender Consent Rights. If and when Merchant's obligations to Lender have been indefeasibly satisfied in full, "Lender" for purposes of any consent rights provided in this Agreement shall thereafter mean Merchant's second lienholder, Mador Funding, LLC. Until such time, Mador Funding, LLC shall be entitled to notice and information hereunder, as may be reasonably requested.


[Signatures Appear Next Page]

IN WITNESS WHEREOF, Merchant and Consultant have executed this Agreement or caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first written above.

For the Consultant

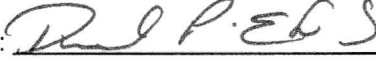
HILCO MERCHANT RESOURCES, LLC

On behalf of itself

By: 
Name: Ian S. Fredericks
Its: SVP & CLO

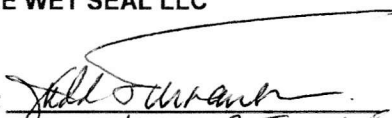
On behalf of itself

GORDON BROTHERS RETAIL PARTNERS, LLC

By: 
Name: Richard Edwards
Title: Co-President - Retail

For Merchant

THE WET SEAL LLC

By: 
Name: Juro P. Tirnauer
Its: EVP & CFO.

Acknowledged and Agreed to by Lender

CRYSTAL FINANCIAL, LLC

By: _____
Name:
Its:

IN WITNESS WHEREOF, Merchant and Consultant have executed this Agreement or caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first written above.

For the Consultant

HILCO MERCHANT RESOURCES, LLC

On behalf of itself

By: _____
Name:
Its:

On behalf of itself

GORDON BROTHERS RETAIL PARTNERS, LLC

By: _____
Name:
Title:

For Merchant

THE WET SEAL LLC

By: _____
Name:
Its:

Acknowledged and Agreed to by Lender

CRYSTAL FINANCIAL, LLC


By: 
Name: *REBECCA TARBY*
Its: *Managing Director*

Exhibit A

Store List

Wet Seal
Store List

Store No.	Store	Address	City	State	Zip Code	Square Ft	Open Date	Store Type
5	Berkshire Mall	1665 State Hill Road Sp#180	Wyomissing	PA	19610	4,000	8/18/2007	Mall
15	Commons at Federal Way	1928 S. Commons Way Sp#B16	Federal Way	WA	98003	4,020	8/3/2007	Mall
16	Macomb Mall	32233 Gratiot	Roseville	MI	48066	3,850	5/25/2007	Mall
17	Everett Mall	1402 SE Everett Mall Way Sp# 120	Everett	WA	98208	4,015	8/10/2007	Mall
20	Merced Mall	713 Merced Mall Sp#530	Merced	CA	95348	3,500	8/24/2007	Mall
36	Albany Mall	2601 Dawson Rd. #E-2	Albany	GA	31707	3,393	3/9/2007	Mall
42	Galleria at Tyler	1107 Tyler Mall	Riverside	CA	92503	3,500	7/10/2009	Mall
44	Edgewater Mall	2600 Beach Blvd. Suite 38	Biloxi	MS	39531	4,800	11/16/2007	Mall
48	Inland Center	242 Inland Center Dr.	San Bernardino	CA	92408	3,707	3/25/1988	Mall
50	Lakewood Center Mall	4101 Lakewood Blvd., Suite 123	Lakewood	CA	90712-3838	5,305	9/7/2007	Mall
53	Weberstown Mall	4950 Pacific Ave Space #221	Stockton	CA	95207	3,802	8/10/2012	Mall
64	Scottsdale Fashion Square	7014 E. CamelBack Rd. Ste. 2021	Scottsdale	AZ	85251	3,891	11/10/1989	Mall
68	Fashion Show	3200 S. Las Vegas Blvd Sp #2630	Las Vegas	NV	89109	4,465	5/11/1989	Mall
74	Visalia Mall	2165 So. Mooney	Visalia	CA	93277	3,850	11/16/1989	Mall
75	Empire Mall	5000 Empire Mall Space #318	Sioux Falls	SD	57106	4,300	9/14/2012	Mall
78	Arden Fair	1689-D Arden Fair	Sacramento	CA	95815	3,853	5/5/1990	Mall
79	Pearlridge Center	98-1005 Moanalua Road Suite #513	Aiea	HI	96701	5,143	4/6/1990	Mall
83	Coral Square	9353 W Atlantic Blvd #9353	Coral Springs	FL	33071	4,330	7/12/2010	Mall
87	Antelope Valley Mall	1233 Rancho Vista Blvd.	Palmdale	CA	93551	3,597	9/24/1990	Mall
88	Stonewood Center	251 Stonewood St	Downey	CA	90241	3,961	8/10/2007	Mall
91	Tyrone Square	6901 22nd Ave. #216	St. Petersburg	FL	33710	3,790	12/17/2005	Mall
94	Brea Mall	2040 A Brea Mall	Brea	CA	92821	5,732	7/16/2010	Mall
100	Bayside Marketplace	401 Biscayne Blvd #2305	Miami	FL	33132	5,640	8/3/2007	Lifestyle Entertainment
101	The Galleria @ Houston	5015 Westheimer Rd Suite 3260	Houston	TX	77056	5,201	8/15/1991	Mall
119	The Parks at Arlington	3811 South Cooper St Sp# 2126	Arlington	TX	76015	4,080	7/1/2011	Mall
123	Alderwood Mall	3000 184th Street S.W. #654	Lynwood	WA	98037	4,378	11/30/1992	Mall
126	Pembroke Lakes Mall	11401 Pines Blvd	Pembroke Pines	FL	33026	4,009	7/17/2009	Mall
127	Moreno Valley	22500 Town Circle	Moreno Valley	CA	92553	5,934	10/14/1992	Mall
131	Governors Square	1500 Apalachee Pkwy SP 1073	Tallahassee	FL	32301	3,900	3/10/1993	Mall
132	Northstar Mall	7400 San Pedro #854	San Antonio	TX	78216	3,400	6/25/1993	Mall
137	The Oaks Mall	6275 W Newberry Rd	Gainesville	FL	32605	3,374	4/2/1993	Mall
143	Roosevelt Field	630 Old Country Road, Ste 1108B	Garden City	NY	11530	4,022	5/7/2011	Mall
148	Newport Centre	30 Mall Drive West, Sp 233	Jersey City	NJ	07310	4,079	5/10/1996	Mall
149	Willowbrook Mall	1400 Willowbrook Mall #1290	Wayne	NJ	07470	4,500	8/21/2009	Mall
150	Garden State Plaza	One Garden State Plaza	Paramus	NJ	07652	5,867	11/24/2010	Mall
152	First Colony Mall	16535 Southwest Frwy, Sp. 495	Sugarland	TX	77479	4,614	11/18/1996	Mall
154	Fox River Mall	4301 West Wisconsin Ave. #2417	Appleton	WI	54913	4,851	11/13/2009	Mall
156	Crabtree Valley Mall	4325 Glenwood Ave. #109	Raleigh	NC	27612	3,679	8/8/1997	Mall
170	Lynnhaven	701 Lynnhaven Mall, Sp #B04C	Virginia Beach	VA	23452	4,590	11/24/1999	Mall
172	Chapel Hills Mall	1710 Briergate, Sp 131	Colorado Springs	CO	80920	3,747	11/28/1997	Mall
178	Spokane Valley	14700 E. Indiana Sp#1154	Spokane	WA	99216	3,539	3/6/1998	Mall
179	Woodlands Mall	1201 Lake Woodlands Dr Ste 1114	The Woodlands	TX	77380	5,065	11/19/1997	Mall
183	Bellis Fair	One Bellis Fair Parkway #404	Bellingham	WA	98226	3,706	4/24/1998	Mall
190	Galleria at Sunset	1300 W. Sunset Rd. Sp #1241	Henderson	NV	89014	3,502	4/24/1998	Mall
191	Hanford Mall	1675 W. Lacey Blvd.	Hanford	CA	93230	3,828	11/2/2007	Mall
195	Penn Square Mall	1901 NW Expressway Ste #2040	Oklahoma City	OK	73118	4,780	5/15/1998	Mall
203	Mall of Georgia	3333 Buford Dr., Sp#1008	Buford	GA	30519	3,850	8/13/1999	Mall
207	Mall of America	N 159 North Garden	Bloomington	MN	55425	3,918	5/30/1999	Mall
208	Monmouth Mall	Rt 35 Wyckoff Rd #3208	Eatontown	NJ	07724	3,542	11/27/1998	Mall
209	The Promenade in Temecula	40820 Winchester Road, #1240	Temecula	CA	92591	3,471	10/27/1999	Mall
211	Midland Park Mall	4511 North Midkiff Sp.#E-9 & 10	Midland	TX	79705	3,457	11/6/1998	Mall
215	Tyson's Corner Center	1961 Chain Bridge Rd.	McLean	VA	22102	5,014	3/22/1999	Mall
217	Lenox Square	3393 Peachtree Rd., NE, Sp#4063	Atlanta	GA	30326	4,993	8/3/1999	Mall
220	Southcenter Mall	633 Southcenter Mall	Tukwila	WA	98188	4,000	7/25/2008	Mall
227	Mall St. Matthews	5000 Shelbyville Road Sp #1335	Louisville	KY	40207	3,626	3/19/1999	Mall
230	South Shore Plaza	250 Granite Street, Sp #208	Braintree	MA	02184	4,967	4/14/1999	Mall
233	Arrowhead Towne Center	7700 W Arrowhead Town Ctr Sp #1181	Glendale	AZ	85308	4,171	11/4/2010	Mall
234	Lehigh Valley Mall	280 Lehigh Valley Mall	Whitehall	PA	18052	5,317	4/9/1999	Mall
239	Water Tower Place	845 N. Michigan Ave., #8120	Chicago	IL	60611	3,949	12/9/1999	Mall
246	North East Mall	1101 Melbourne St., #P06	Hurst	TX	76053	4,066	4/6/2000	Mall
248	The Mall at Robinson	100 Robinson Centre Dr, #1360	Pittsburgh	PA	15205	4,016	10/26/2001	Mall
249	Concord Mills	8111 Concord Mill Blvd, #675	Concord	NC	28027	5,274	3/24/2000	Outlet
258	Oak Park Mall	11717 95th Street Suite #136	Overland Park	KS	66214	4,468	3/29/2002	Mall
262	Galleria at Roseville	1151 Galleria Blvd. Sp#134	Roseville	CA	95678	3,800	8/25/2000	Mall
263	Boise Towne Square	350 N. Milwaukee, Ste 2092	Boise	ID	83704	3,600	4/27/2001	Mall
268	Crossgates Mall	1 Crossgates Mall Road, Sp. #P211	Albany	NY	12203	3,645	1/30/2001	Mall
270	Fairlane	18900 Michigan Ave., Sp. #G309-310	Dearborn	MI	48126	3,600	1/28/2001	Mall
277	Irvine Spectrum Center	644 Spectrum Drive	Irvine	CA	92618	7,150	8/22/2008	Mall
281	West Acres Mall	3902 13th Avenue South	Fargo	ND	58103	4,061	8/4/2001	Mall
286	Mayfair Mall	2500 North Mayfair Road, #564	Wauwatosa	WI	53226	2,998	8/15/2001	Mall
289	The Lakes Mall	5600 Harvey Street, #1074	Muskegon	MI	49444	3,599	8/15/2001	Mall
297	West Roads Mall	10000 California Street, Suite 3565	Omaha	NE	68114	4,119	10/26/2001	Mall
500	Tempe Marketplace	2000 E. Rio Salado Pkwy. Sp#E4	Tempe	AZ	85281	4,000	8/7/2007	Off-Mall
505	Loop West	2645 W. Osceola Pkwy Sp #B-25	Kissimmee	FL	34741	4,150	11/4/2010	Off-Mall
506	Broadway Square	4601 South Broadway	Tyler	TX	75703	3,375	5/19/2002	Mall
510	Northridge Fashion Center	9301 Tampa Ave. #172	Northridge	CA	91324	5,421	11/3/1971	Mall

Wet Seal
Store List

Store No.	Store	Address	City	State	Zip Code	Square Ft	Open Date	Store Type
512	The Outlets at Orange	20 City Blvd. West Sp#806	Orange	CA	92868	4,231	11/21/2007	Outlet
513	Del Amo Fashion Center	3525 Carson Street #239A	Torrance	CA	90503	4,609	7/2/2010	Mall
524	International Plaza	2223 N. West Shore Blvd., SP#119	Tampa	FL	33607	3,499	6/13/2008	Mall
525	Vintage Faire Mall	3401 Dale Rd Sp #S08	Modesto	CA	95356	4,523	8/17/1977	Mall
526	Fresno Fashion Fair	709 East Shaw Ave.	Fresno	CA	93710	3,978	11/10/1977	Mall
527	Memorial City Mall	303 Memorial City Sp#216	Houston	TX	77024	4,152	10/7/2011	Mall
546	Boca Park	8800 West Charleston, Suite 1-3	Las Vegas	NV	89117	4,071	10/28/2010	Off-Mall
553	Coronado Center	6600 Menaul NE Suite B010	Albuquerque	NM	87110	3,657	11/11/2010	Mall
554	Santa Rosa Plaza	1026 Santa Rosa Plaza Sp #B-157	Santa Rosa	CA	95401	4,062	3/4/1982	Mall
555	Plaza Bonita	3030 Plaza Bonita Rd. Sp#2410	National City	CA	91950	4,223	1/26/2007	Mall
558	Valley Plaza Mall	2701 Ming Ave.	Bakersfield	CA	93304	3,716	7/3/2009	Mall
560	Dartmouth Mall	116 N Dartmouth Mall	Dartmouth	MA	02747	3,800	6/29/2012	Mall
563	Willowbrook	1590 Willowbrook Mall	Houston	TX	77070	3,425	8/7/2009	Mall
574	Stonebriar	2601 Preston Rd Sp # 2136	Frisco	TX	75034	4,054	11/23/2011	Mall
575	Barton Creek Square	2901 S. Capital of Texas Hwy, Sp #R08A	Austin	TX	78746	3,653	6/21/2013	Mall
581	Sunset Mall	4001 Sunset Dr. Sp#1036	San Angelo	TX	76904	4,500	11/29/2007	Mall
582	St. Clair Square	209 St. Clair Square	Fairview Heights	IL	62208	4,001	8/31/2012	Mall
583	Shops at River Park	7875 N Via Del Rio	Fresno	CA	93720	5,143	8/8/2008	Lifestyle Entertainment
584	Baybrook Mall	1132 Baybrook Mall	Friendswood	TX	77546	3,012	5/11/2012	Mall
587	Mt. Shasta Mall	900 Dana Drive, Suite B-16	Redding	CA	96003	3,785	8/21/2002	Mall
592	Oglethorpe Mall	7804 Abercorn Street, Suite 58	Savannah	GA	31406	3,889	7/24/2002	Mall
595	Lakeside Mall	14600 Lakeside Circle G-215	Sterling Heights	MI	48313	4,500	8/9/1984	Mall
597	Orland Square	646 Orland Square	Orland Park	IL	60462	4,650	10/25/1984	Mall
605	Park Plaza Mall	6000 West Markham, Suite 3008	Little Rock	AR	72205	3,245	5/4/2007	Mall
611	North Riverside	7501 West Cermack Road Sp #G-9	North Riverside	IL	60546	4,863	3/16/1985	Mall
612	River Oaks Center	96 River Oaks Center Sp#C21	Calumet City	IL	60409	4,002	3/9/2007	Mall
613	Village at Sandhill	487-4 Town Center Place	Columbia	SC	29229	3,543	6/1/2007	Mall
615	Manhattan Town Center	100 Manhattan Town Center	Manhattan	KS	66502	3,705	10/13/2006	Mall
622	Great Lakes Mall	7850 Mentor Avenue, Suite 554A	Mentor	OH	44060	3,923	9/20/2002	Mall
624	Grand Teton Mall	2300 E. 17th Street #01186 & 01187	Idaho Falls	ID	83404	3,368	4/13/2007	Mall
626	Ontario Mills	One Mills Circle #302	Ontario	CA	91764	5,642	5/11/2007	Outlet
627	Wyoming Valley Mall	80 Wyoming Valley Mall SP#228	Wilkes-Barre	PA	18702	3,900	11/22/2011	Mall
628	The Shoppes at Arbor Lakes	12441 Elm Creek Blvd.	Maple Grove	MN	55369	3,600	5/6/2005	Lifestyle Entertainment
630	Destiny USA	9090 Destiny USA Drive Ste. F-210	Syracuse	NY	13204	3,525	5/8/2009	Mall
635	Florida Mall	8001 S. Orange Blossom Trl Sp# 310	Orlando	FL	32809	4,548	7/16/2010	Mall
643	Carolina Place	11025 Carolina Place Pky, Ste B-11	Pineville	NC	28134	3,945	11/1/2002	Mall
653	Woodland Hills Mall	7021 S. Memorial Drive Sp 228	Tulsa	OK	74133	3,965	8/28/1986	Mall
655	Concord Mall	4737 Concord Pike Rt. 202, 301a	Wilmington	DE	19803	3,718	9/24/1986	Mall
656	Cordova Mall	5100 N. 9th Ave. Sp. B217	Pensacola	FL	32504	4,595	9/24/1986	Mall
673	Jacksonville Mall	375 Jacksonville Mall Sp#F15	Jacksonville	NC	28546	3,552	3/29/2008	Mall
685	Twelve Oaks	27478 Novi Rd. Sp #A111	Novi	MI	48377	3,966	6/11/1987	Mall
687	Fayette Mall	3401 Nicholasville Road C-321	Lexington	KY	40503	5,060	9/12/1987	Mall
688	MainPlace	2800 North Main 426B	Santa Ana	CA	92705	4,351	9/26/1987	Mall
698	Crossings at Corona	3383 Grand Oaks, Suite 104	Corona	CA	92881	5,600	8/5/2010	Off-Mall
699	Columbiana Centre	1000 Columbiana Circle Sp. #1052	Columbia	SC	29212	3,031	3/26/2010	Mall
708	Destin Commons	4112 Legendary Dr #D-126	Destin	FL	32541	3,963	11/5/2003	Mall
715	Providence Place	153 Providence Place Space #5070	Providence	RI	02903	3,873	5/5/2011	Mall
716	Columbia Mall	2300 Bernadette Drive	Columbia	MO	65203	3,959	7/24/2009	Mall
717	Queen Ka'ahumanu Center	275 W. Kaahumanu Ave, Ste 1015A	Kahului	HI	96732	3,462	11/27/2002	Mall
721	Ingram Park Mall	630 NW Loop 410 Sp #517	San Antonio	TX	78238	3,676	7/1/2011	Mall
729	Hillside Village	305 W. FM 1382 Suite 618	Cedar Hill	TX	75104	3,652	9/28/2012	Lifestyle Entertainment
731	The Corner	7 Winter Street	Boston	MA	02108	3,410	6/30/2005	Street
732	Buckland Hills	194 Buckland Hills Drive Suite 2138	Manchester	CT	06042	3,573	11/2/2007	Mall
734	Smith Haven Mall	Route 25 & 347 Sp E-3	Lake Grove	NY	11755	5,881	5/25/1990	Mall
735	Westland Center	35000 West Warren Rd.	Westland	MI	48185	3,621	3/30/1990	Mall
748	Clackamas Town Center	12000 SE 82nd Avenue, Sp#L215	Happy Valley	OR	97086-7721	3,673	4/30/2003	Mall
752	Springfield Mall	1250 Baltimore Pike Sp #29	Springfield	PA	19064	3,882	8/1/1991	Mall
762	Burlington Mall	1002 Burlington Mall Sp #B-21	Burlington	MA	01803	5,250	6/28/1991	Mall
765	Warwick Mall	400 Bald Hill Rd. Sp #120	Warwick	RI	02886	3,804	7/25/1991	Mall
768	Mall at Rockingham Park	99 Rockingham Park Blvd Ste 2243	Salem	NH	03079	3,177	8/22/1991	Mall
770	Orlando International Premium Outlets	4973 International Drive Suite 3F48	Orlando	FL	32819	4,534	8/10/2007	Outlet
787	Arundel Mills	7600 Clark Road, Suite 200	Hanover	MD	21076	3,668	3/7/2003	Outlet
792	Castleton Square Mall	6020 E. 82nd St. #142D	Indianapolis	IN	46250	2,926	5/5/2007	Mall
803	Square One Mall	Rte. 1 S., 1201 Broadway	Saugus	MA	01906	4,029	11/9/2007	Mall
804	Freehold Raceway Mall	3710 Route 9 Sp #F212	Freehold	NJ	07728	4,001	1/4/2013	Mall
817	Cottonwood Mall	10000 Coors Bypass #E235 NW	Albuquerque	NM	87114	4,530	4/3/1998	Mall
834	Southlake Mall	2062 Southlake Mall Sp#240	Merrillville	IN	46410	4,253	9/17/1998	Mall
837	West Ridge Mall	1801 SW Wanamaker Road Sp #B19A	Topeka	KS	66604	4,452	1/11/2008	Mall
838	Auburn Mall	385 Southbridge St Sp #S-100	Auburn	MA	01501	3,885	10/1/1998	Mall
839	McKinley Mall	3701 McKinley Pkwy Sp #724	Buffalo	NY	14219	3,268	9/30/2005	Mall
844	Easton Towne Center	4035 The Strand West Sp #424	Columbus	OH	43219	3,591	6/30/1999	Mall
847	Manassas Mall	8300 Sudley Road Sp #E-7	Manassas	VA	20109	4,088	10/25/2005	Mall
855	Walden Galleria	TH140 Walden Galleria Drive	Buffalo	NY	14225	3,958	3/28/2000	Mall
856	Holyoke Mall	50 Holyoke Mall, #B310	Holyoke	MA	01040	3,562	3/24/2000	Mall
857	Galleria at Crystal Run	1 Galleria Drive, #A-213	Middletown	NY	10941	3,158	3/24/2000	Mall
863	The Crossroads	6650 S. Westedge, #240	Portage	MI	49024	4,000	4/7/2000	Mall
878	Santa Fe Place	4250 Cerrillos Rd. #1064	Santa Fe	NM	87507	4,011	11/30/2006	Mall

Wet Seal
Store List

Store No.	Store	Address	City	State	Zip Code	Square Ft	Open Date	Store Type
880	Las Vegas South Premium Outlet	7400 Las Vegas Blvd. # 202A	Las Vegas	NV	89123	3,938	11/9/2001	Outlet
882	Briarwood Mall	636 Briarwood Circle	Ann Arbor	MI	48108	5,710	9/2/2010	Mall
891	Mall del Norte	5300 N. San Dario, Suite 100	Laredo	TX	78041	3,714	11/10/2001	Mall
904	Opry Mills	472 Opry Mills Drive, Suite 472	Nashville	TN	37214	3,805	3/29/2012	Outlet
906	West Town Mall	7600 Kingston Pike	Knoxville	TN	37919	3,490	4/4/2003	Mall
921	Stoneridge Shopping Center	2321 Stoneridge Mall	Pleasanton	CA	94588	4,633	4/6/2003	Mall
955	Seminole Town Center	270 Towne Center Circle #H05	Sanford	FL	32771	3,550	7/28/2006	Mall
1404	Winter Garden Village	3041 Daniels Rd Sp #112	Winter Garden	FL	34787	4,533	10/28/2011	Off-Mall
1406	Market Heights	201 E. Central Texas Expy Ste 235	Harker Heights	TX	76548	4,889	6/24/2011	Off-Mall
1408	Citrus Plaza	27530 W. Lugonia Ave Suite# A	Redlands	CA	92374	2,980	4/30/2014	Off-Mall
1726	Citadel Outlets	100 Citadel Dr. Ste 711	Los Angeles	CA	90040-1580	3,562	11/6/2013	Outlet
1001	Altamonte Mall	451 E Altamonte Drive; Suite 2145	Altamonte Springs	FL	32701	3,512	11/1/2016	Pop-up
1002	North Point	2122 North Point Circle	Alpharetta	GA	30022	3,596	11/1/2016	Pop-up
1003	Northbrook Court	2224 Northbrook Court	Northbrook	IL	60062	4,000	11/1/2016	Pop-up
1004	Peachtree	3131 Manchester Expressway, Suite 100	Colunbus	GA	31909	3,500	11/1/2016	Pop-up
1005	Perimeter	4400 Ashford Dunwoody Rd, Suite 2275	Atlanta	GA	30346	3,325	11/1/2016	Pop-up
1006	Quail Springs	2501 W. Memorial Road, Suite 252	Oklahoma City	OK	73134	3,041	11/1/2016	Pop-up
1007	Rivertown Crossings	3700 RiverTown Pkwy SW Space 2012	Grandville	MI	49418	2,741	11/1/2016	Pop-up
1009	Sooner	3321West Main Street	Norman	OK	73072	2,857	11/1/2016	Pop-up
1010	Tucson	4500 N Oracle Rd. Suite 227	Tucson	AZ	85705	5,286	11/1/2016	Pop-up
1011	Woodbridge	184 Woodbridge Center Drive	Woodbridge	NJ	07095	3,474	11/1/2016	Pop-up
1012	Cumberland	1212 Cumberland Mall	Atlanta	GA	30339	3,704	11/1/2016	Pop-up
1013	Northtown	4750 N. Division Ste. 1168	Spokane	WA	99207	4,130	11/1/2016	Pop-up
1014	Park City	355 Park City Center	Lancaster	PA	17601	3,500	11/1/2016	Pop-up

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Exhibit B

Budget of Consultant Controlled Expenses

Exhibit B**Wet Seal
Budget of Consultant Controlled Expenses**

In store signage	\$	179,000
Media & production	\$	-
Signwalkers	\$	101,421
Subtotal Advertising	\$	280,421
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Base store payroll	\$	1,959,830
Supervision	\$	686,306
Miscellaneous	\$	75,000
Total Consultant Controlled Expenses	\$	3,001,558