

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

THE WET SEAL, LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 17-10229 (CSS)

(Jointly Administered)

**Hearing Date:**

**February 22, 2017 at 10:00 a.m. (ET)**

**Related to Docket Nos. 17, 51, 138**

**JOINDER OF CASTLE & COOKE CORONA CROSSINGS, LLC TO LIMITED  
OBJECTION OF CERTAIN LANDLORDS TO DEBTORS' MOTION FOR INTERIM  
AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO USE CASH  
COLLATERAL PURSUANT TO 11 U.S.C. § 363, (II) GRANTING ADEQUATE  
PROTECTION TO THE PREPETITION SECURED PARTIES PURSUANT TO 11  
U.S.C. §§ 105, 361, 362, 363, 503, 507 AND 552, (III) MODIFYING THE AUTOMATIC  
STAY, AND (IV) GRANTING RELATED RELIEF**

Castle & Cooke Corona Crossings, LLC ("Corona Crossings" or the "Landlord") hereby joins in that certain "*Limited Objection of Certain Landlords to Debtors' Motion for Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection to the Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 503, 507 and 552, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief* [Doc. No. 138] (the "Limited Objection"), and respectfully represents as follows:

1. Corona Crossings is the owner of a shopping center named "The Crossings at Corona" in Corona, California (the "Shopping Center") that includes the premises commonly known as 3383 Grand Oaks, Suite 104, Corona, CA 92881 (the "Premises")<sup>2</sup> leased to The Wet Seal Retail, Inc., pursuant to that certain "*Shopping Center Lease*" dated June 24, 2010 (the

<sup>1</sup> 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.

<sup>2</sup> The Wet Seal store operating on the Premises has been designated by the Debtors as "Store 698."

“Lease”).

2. The Shopping Center is a “shopping center” as that term is defined in Bankruptcy Code § 365(b)(3). Accordingly, Corona Crossings is entitled to the protections provided to landlords of shopping centers pursuant to Bankruptcy Code § 365(b)(3).

3. On February 2, 2017 (the “Petition Date”), the Debtors filed voluntary petitions for relief under Chapter 11 of the United States Code (the “Bankruptcy Code”). However, despite the Debtors’ usage and occupancy of the Premises since the Petition Date, the Debtors have failed to pay, among others, the amounts owed to Corona Crossings for stub rent and related charges for the period of February 2, 2017 through the later lease rejection date of on or about February 16, 2017 (the “Stub Rent”).

4. On the Petition Date, the Debtors also filed that certain “*Debtors’ Motion for Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection to the Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 503, 507 and 552, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief*” [Doc. No. 17] (the “Cash Collateral Motion”), which was approved on an interim basis pursuant to the Court’s order entered on February 3, 2017 [Doc. No. 51] (the “Interim Order”).

5. The Debtors had been conducting post-petition liquidation sales at the Premises. The usage of the Premises to sell the secured lenders’ collateral allows for the continued operation of the Debtors, and benefits the secured lenders by preserving and disposing of the secured lenders’ collateral in an orderly sale process. However, the proposed budget attached to the Cash Collateral Motion fails to include a line item to pay any amounts owing to Corona Crossings, or any other landlord, for Stub Rent and related charges. Further, it appears that the Debtors’ estates may be administratively insolvent.

6. Despite the foregoing, the Debtors are attempting to, through the Cash Collateral Motion, waive the protections set forth in sections 506(c) and 552(b) of the Bankruptcy Code. Corona Crossings objects to the Debtors granting the secured lenders waivers under sections

506(c) and 552(b) of the Bankruptcy Code, unless provisions are made for payment of the Stub Rent and related charges. If the secured lenders and the Debtors want the benefit of conducting going out of business sales at leased premises, including the Premises, they must be required to pay for the use of the leased premises, including all Stub Rent and other related charges.

WHEREFORE Corona Crossings, for the reasons set forth in the Limited Objection, respectfully requests that the Court deny the Cash Collateral Motion unless provisions are made for the payment of Stub Rent and related charges.

Dated: February 18, 2017  
Wilmington, Delaware

**POLSINELLI PC**

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