

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re

THE WET SEAL, INC., a Delaware
corporation, *et al.*¹

Debtors.

Chapter 11

Case No.: 15-10081 ()

(Joint Administration Requested)

**DEBTORS' FIRST OMNIBUS MOTION FOR THE ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO (I) REJECT CERTAIN UNEXPIRED NON-
RESIDENTIAL REAL PROPERTY LEASES PURSUANT TO 11 U.S.C. § 365, AND
(II) ABANDON ANY REMAINING PROPERTY LOCATED AT THE LEASED
PREMISES NUNC PRO TUNC TO THE PETITION DATE**

REJECTED LEASES 1-100²

**LANDLORDS RECEIVING THIS FIRST OMNIBUS LEASE MOTION SHOULD
LOCATE THEIR NAMES AND LEASES IN THE SCHEDULE OF LEASES
ATTACHED HERETO AS EXHIBIT A.**

The Wet Seal, Inc. and its subsidiaries, the debtors and debtors in possession (the "Debtors") in the above-captioned jointly administered chapter 11 cases (the "Cases"), hereby move the Court (the "First Omnibus Lease Motion") for entry of an order, substantially in the form attached hereto as **Exhibit B**, pursuant to sections 105(a), 365 and 554(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), and Rules 6003, 6004,

¹ The Debtors and the last four digits of their respective federal taxpayer identification numbers are as follows: The Wet Seal, Inc. (5940); The Wet Seal Retail, Inc. (6265); Wet Seal Catalog, Inc. (7604); and Wet Seal GC, LLC (2855-VA). The Debtors' address is 26972 Burbank, Foothill Ranch, CA 92610.

² In compliance with Federal Rule of Bankruptcy Procedure 6006(f) governing omnibus motions to reject contracts and leases, the Debtors have concurrently filed four omnibus motions to reject unexpired leases, each in respect of no more than 100 individual unexpired leases.

6006 and 6007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing the Debtors to (I) reject certain unexpired leases of non-residential real property for certain of the premises leased by the Debtors (collectively, the “Leased Premises”), as set forth on Exhibit A hereto (the “Rejected Leases”), effective as of the Petition Date (the “Rejection Effective Date”), and (II) abandon any remaining personal property and furniture, fixtures and equipment (“FF&E”) located at the Leased Premises, free and clear of all liens, claims, encumbrances, and interests or rights of third parties. In particular, the Leased Premises subject to this First Omnibus Lease Motion consist of 100 store locations that the Debtors closed and irrevocably surrendered to the landlords on or about January 7, 2015, *well before the commencement of these cases*. In support of the First Omnibus Lease Motion, the Debtors rely on the *Declaration of Thomas R. Hillebrandt in Support of First Day Motions* (the “Hillebrandt Declaration”) concurrently filed herewith. In further support of the First Omnibus Lease Motion, the Debtors respectfully represent as follows:

I. JURISDICTION

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over these Cases and the First Omnibus Lease 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 within the meaning of 28 U.S.C. § 157(b)(2). Venue of these Cases and the First Omnibus Lease Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

2. 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 the entry of a final judgment or order with respect to the First

Omnibus Lease Motion if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

3. The statutory and rule predicates for the relief requested herein are Bankruptcy Code sections 105, 365 and 554(a) and Bankruptcy Rules 6003, 6004, 6006 and 6007.

II. BACKGROUND

4. On the date hereof (the "Petition Date"), each of the Debtors commenced in this Court a voluntary case under chapter 11 of the Bankruptcy Code.

5. 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 Cases by the United States Trustee.

6. The Debtors are a national multi-channel specialty retailer selling fashion apparel and accessory items designed for female customers aged 13 to 24 years old. The Debtors are currently comprised of two primary units: (a) the retail store business, which is primarily operated by The Wet Seal Retail, Inc.; and (b) the e-commerce business, which is primarily operated by Wet Seal Catalog, Inc. Through their retail store business, until shortly before the Petition Date, the Debtors operated over 500 retail locations, principally in mall locations. Through their e-commerce business, the Debtors operate an e-commerce site at www.wetseal.com and have nearly 2.5 million followers on their Facebook page. The Debtors also sell gift cards, which business is primarily operated through Wet Seal GC, LLC.

7. The continuing fundamental shift in consumer behavior away from traditional mall shopping toward online-only stores and increased competition throughout the specialty retail fashion industry have created a difficult operating environment for many traditional mall-based fashion retailers such as the Debtors. Indeed, over the past several weeks, at least three

other specialty retailers focused on young adult girls—Deb Stores Holding LLC, dELiA*s, Inc., and Body Central Corp.—have commenced bankruptcy cases or assignments for the benefit of creditors and are in the process of conducting liquidations. In addition to this industry-wide weakness, in the Debtors’ case, the Debtors’ financial performance was further adversely impacted by, among other things, (i) shifts away from the “fast fashion” segment, and (ii) ventures into business extensions that were ultimately not profitable. In the third quarter of 2014 the Debtors hired a new management team, and this team began the process of shifting the Debtors’ operational strategy toward a more fashionable inventory mix and smaller and more varied style assortments.

8. There was, unfortunately, insufficient time to implement the strategic vision before the Debtors faced a liquidity crisis, resulting from extensive operating losses driven by, among other things, persistent sales weakness across the majority of the Debtors’ store base and changes in credit terms by the Debtors’ vendors. Further, the Debtors were required to cash collateralize all of the letters of credit issued by the Debtors’ lender, Bank of America, N.A. (the “Prepetition Lender”) under that certain Amended and Restated Credit Agreement, dated as of February 3, 2011 (as subsequently amended, modified, or restated, the “Prepetition Facility”).

9. Facing the foregoing issues, the Debtors determined that it would not be possible to restructure the Debtors out of Court without significant landlord concessions. Accordingly, the Debtors engaged in negotiations with their major landlords regarding concessions from such landlords. However, the Debtors were not able to reach an agreement with landlords on potential lease concessions during these negotiations, and on or about January 7, 2015, the Debtors closed 338 of their stores, irrevocably and unequivocally surrendered the premises to the applicable landlords, and terminated the portion of their workforce that had been employed in connection

with those stores. The Debtors capitalized on the holiday shopping season to conduct aggressive sales of the inventory in the closed stores and closed such stores in early January 2015.

10. The Debtors intend to reorganize their business around the e-commerce business and the remaining stores with the most potential upside. To meet their objectives, the Debtors have entered into (i) that certain Senior Secured, Super-Priority Debtor-in-Possession Credit Agreement with B. Riley Financial, Inc. ("B. Riley") (the "DIP Term Facility"), pursuant to which the Debtors will receive a senior debtor-in-possession term loan that should provide them with sufficient runway to navigate through the reorganization process, and (ii) that certain Plan Sponsorship Agreement with B. Riley, pursuant to which B. Riley will commit to a plan of reorganization under which B. Riley will receive 80% of newly issued common stock in the reorganized Debtors in exchange for investment of \$20 million. On the effective date of the plan, B. Riley will convert the entire DIP Term Facility into equity and contribute the balance of the \$20 million to the reorganized Debtors in cash. The remaining common stock will be issued to holders of allowed general unsecured claims whose claims are not satisfied through a convenience class cash election. The Debtors also have entered into that certain Senior Secured, Super-Priority Debtor-in-Possession Letter of Credit Agreement (the "DIP L/C Facility"; together with the DIP Term Facility, the "DIP Facilities") with Bank of America, N.A. (as L/C Issuer, the "DIP L/C Lender"), pursuant to which the Debtors will obtain letters of credit that are required postpetition in the ordinary course of their business.

11. The detailed factual background relating to the Debtors and the commencement of these Cases is set forth in the Hillebrandt Declaration.

III. RELIEF REQUESTED

12. The Rejected Leases constitute 100 of the 339 leases rejected by the Debtors as part of the closure of 338³ of their stores on or about January 7, 2015. The relief requested herein is warranted because (i) the Debtors have ceased operations at the Leased Premises, (ii) the Debtors have no further use for the Leased Premises, (iii) on or about January 7, 2015, the Debtors irrevocably and unequivocally surrendered each of the Leased Premises and abandoned any personal property or FF&E (the “Remaining Property”) remaining at the Leased Premises, and (iv) since on or about January 8, 2015, the landlords in respect of the Leased Premises (the “Landlords”) have been in sole possession of the Leased Premises.

13. The Debtors have provided ample notice to the Landlords of their irrevocable surrender of the Leased Premises before the Petition Date. First, on January 7, 2015, the Debtors sent to each Landlord, via overnight Federal Express, a letter informing the Landlords that the letter served as written notice that the Debtors were surrendering the premises effective as of the end of the day on January 8, 2015.

14. Second, in order to provide the Landlords with additional notice of the Debtors’ irrevocable surrender of the Leased Premises and associated abandonment of any Remaining Property, on January 12, 2015, the Debtors sent to each Landlord, via overnight Federal Express, a letter confirming that the Debtors had provided the Landlords written notice that the premises were vacated and that possession had been unequivocally and irrevocably delivered to the Landlords. The letters also stated that the Debtors had irrevocably abandoned and forfeited to the Landlords any and all property located in the Leased Premises. The Debtors’ Prepetition Lender has waived any rights it may have had in any Remaining Property as of the date and time

³ One of the Debtors’ stores had two leases; hence the Debtors seek rejection of 339 leases for 338 stores.

of the Debtors' abandonment and forfeiture thereof in favor of the Landlords; however, the Prepetition Lender has not waived any other property rights that it may have under the Prepetition Facility, except to the extent set forth in the DIP L/C Facility filed with the Court.

15. Finally, prior to the filing of the Cases, the Debtors sent, via overnight Federal Express delivery, the keys for each of the Leased Premises to the Landlords.

16. As a result of the foregoing prepetition actions by the Debtors, the Landlords had ample notice of the Debtors' irrevocable and unequivocal prepetition surrender of the Leased Premises and associated abandonment of any Remaining Property at the Leased Premises, and, in fact, have been in sole possession of the Leased Premises since January 8, 2015. Immediate rejection therefore benefits the Landlords, who already have possession of the Leased Premises, by allowing them to immediately use or re-let the Leased Premises without the uncertainty inherent in prolonged Court proceedings.

17. Accordingly, by this First Omnibus Lease Motion, the Debtors request that the Court enter an order pursuant to Bankruptcy Code sections 105, 365 and 554(a) and Bankruptcy Rules 6003, 6004, 6006 and 6007, authorizing the Debtors to (a) reject the Rejected Leases, effective as of the Rejection Effective Date, and (b) abandon any Remaining Property located at the Leased Premises on the Rejection Effective Date, free and clear of all liens, claims, encumbrances, and interests or other rights of third parties.

IV. BASIS FOR RELIEF

A. Authority to Reject the Rejected Leases

18. Section 365(a) of the Bankruptcy Code provides that a trustee or debtor in possession, "subject to the court's approval may ... reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a); *see also In re Univ. Med. Ctr.*, 973 F.2d 1065, 1075 (3d Cir. 1992). "This provision allows a trustee to relieve the bankruptcy estate of burdensome

agreements which have not been completely performed.” *Stewart Title Guar. Co. v. Old Republic Nat’l Title Ins. Co.*, 83 F.3d 735, 741 (5th Cir. 1996) (quoting *Phoenix Exploration, Inc. v. Yaquinto (In re Murexco Petroleum, Inc.)*, 15 F.3d 60, 62 (5th Cir. 1994)).

19. The decision to assume or reject an executory contract or unexpired lease is a matter within the “business judgment” of the trustee. *See NLRB v. Bildisco & Bildisco (In re Bildisco)*, 682 F.2d 72, 79 (3d Cir. 1982) (“The usual test for rejection of an executory contract is simply whether rejection would benefit the estate, the ‘business judgment’ test.”); *Delightful Music Ltd. v. Taylor (In re Taylor)*, 913 F.2d 102, 107 (3d Cir. 1990); *see also Computer Sales Int’l, Inc. v. Fed. Mogul (In re Fed. Mogul Global, Inc.)*, 293 B.R. 124, 126 (D. Del. 2003); *In re HQ Global Holdings*, 290 B.R. 507, 511 (Bankr. D. Del. 2003). The business judgment standard mandates that a court approve a trustee’s business decision unless the decision is the product of bad faith, whim or caprice. *See In re Trans World Airlines, Inc.*, 261 B.R. 103, 121 (Bankr. D. Del. 2001); *see also Summit Land Co. v. Allen (In re Summit Land Co.)*, 13 B.R. 310, 315 (Bankr. D. Utah 1981) (“court approval under Section 365(a), if required, except in extraordinary situations, should be granted as a matter of course”).

20. Rejection of an executory contract or unexpired lease is appropriate where rejection of the contract would benefit the estate. *See Sharon Steel Corp. v. Nat’l Fuel Gas Distribution Corp.*, 872 F.2d 36, 39 (3d Cir. 1989). The standard for rejection is satisfied when a trustee or debtor has made a business determination that rejection will benefit the estate. *See Commercial Finance, Ltd. v. Hawaii Dimensions, Inc. (In re Hawaii Dimensions, Inc.)*, 47 B.R. 425, 427 (D. Haw. 1985) (“Under the business judgment test, a court should approve a debtor’s proposed rejection if such rejection will benefit the estate.”).

21. If the trustee's or debtor's business judgment has been reasonably exercised, a court should approve the assumption or rejection of an unexpired lease or executory contract. *See, e.g., NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 523 (1984); *In re Fed. Mogul Global, Inc.*, 293 B.R. at 126. In applying the business judgment standard, courts show great deference to the trustee's or debtor's decisions to reject. *See e.g., Bildisco & Bildisco*, 465 U.S. at 523; *In re Fed. Mogul Global, Inc.*, 293 B.R. at 126 (court should approve a debtor's decision to reject a contract unless the decision is the product of bad faith or a gross abuse of discretion); *In re Summit Land Co.*, 13 B.R. at 315 (absent extraordinary circumstances, court approval of a debtor's decision to assume or reject an executory contract "should be granted as a matter of course").

22. Pursuant to section 365(a) of the Bankruptcy Code, the Debtors seek to reject the Rejected Leases effective as of the Rejection Effective Date in order to avoid the possibility of incurring any additional expenses and costs related to the Rejected Leases. *See Bildisco & Bildisco*, 465 U.S. at 523 (stating that rejection relates back to the petition date). A court may permit such retrospective rejection to avoid unduly exposing a debtor's estate to unwarranted postpetition administrative or other expenses. *See In re Amber's Stores*, 193 B.R. 819, 827 (N.D. Tex. 1996); *see also Thinking Machs. v. Mellon Fin. Servs. Corp. (In re Thinking Machs. Corp.)*, 67 F.3d 1021, 1028 (1st Cir. 1995) ("bankruptcy courts may enter retroactive orders of approval, and should do so when the balance of equities preponderates in favor of such remediation"); *Constant Ltd. Partnership v. Jamesway Corp. (In re Jamesway Corp.)*, 179 B.R. 33, 37-38 (S.D.N.Y. 1995) (affirming bankruptcy court's retroactive approval of lease rejection); *see also Stonebriar Mall Ltd. P'ship v. CCI Wireless, LLC (In re CCI Wireless, LLC)*, 297 B.R. 133, 140 (D. Col. 2003) (holding that a bankruptcy court "has authority under section 365(d)(3) to set the effective date of rejection at least as early as the filing date of the motion to reject").

23. Courts in this jurisdiction have previously considered the question of retroactive rejection. See *In re Namco Cybertainment, Inc.*, Case No. 98-00173 (PJW) (Bankr. D. Del.) (Feb. 6, 1998) (Docket No. 45). In *Namco*, this Court permitted retroactive rejection on the conditions that (a) the vehicles (and the keys thereto) subject to a lease were surrendered with an *unequivocal* statement of abandonment to the landlord or lessor, (b) the motion was filed and served on the landlord or lessor, (c) the official committee has consented to the relief requested in the motion, and (d) the debtor acknowledged that it would not have the right to withdraw the motion prior to the hearing.

24. To the extent applicable, the Debtors will do all that is required for rejection of the Rejected Leases *nunc pro tunc* to the Rejection Effective Date. Specifically, service of this First Omnibus Lease Motion is an unequivocal expression of the Debtors' intention to reject the applicable Leases. Furthermore, the Debtors (i) have ceased operating at, and vacated, the Leased Premises on or about January 7, 2015; (ii) have served notice of this First Omnibus Lease Motion on all of the Landlords on the date hereof; and (iii) will not withdraw any of the Rejected Leases from this First Omnibus Lease Motion absent the consent of the respective Landlord. To date, no official committee has been appointed in these Cases by the United States Trustee.

25. Here, the Debtors seek to reject the Rejected Leases based on the belief that the Rejected Leases are, and, absent rejection, will continue to be, a burden on the Debtors' estates. The Debtors ceased operating at the Leased Premises on or about or prior to January 7, 2015 and have no further use for the Leased Premises. The Rejected Leases no longer provide any economic benefit to the Debtors. Additionally, the Debtors have determined, in their reasonable business judgment, that there is no net benefit that can be realized from an attempt to market and assign the Rejected Leases, and the Debtors do not believe that the value of any Rejected Lease

will increase in the immediate future. As a result, the Debtors have determined that rejection of the Rejected Leases is in the best interest of the Debtors' estates and creditors. For all the above reasons, the Debtors submit that rejection of the Rejected Leases as of the Rejection Effective Date is in the best interests of the Debtors' estates, creditors and other parties in interest. Accordingly, rejection of the Rejected Leases *nunc pro tunc* to the Rejection Effective Date is appropriate.

26. The Debtors may have claims against the Landlords arising under, or independently of, the Rejected Leases. The Debtors do not waive such claims by the filing of the First Omnibus Lease Motion or by the rejection of the Rejected Leases.

B. Authority to Abandon any Remaining Property

27. The Debtors also seek to abandon any Remaining Property assets remaining at the Leased Premises as of the Rejection Effective Date as is, where is, and in accordance with section 554(a) of the Bankruptcy Code, free and clear of all liens, claims, encumbrances, and interests or other rights of third parties. Section 554(a) provides that "[a]fter notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate." 11 U.S.C. §554(a). The Debtors believe that the costs associated with moving, storing and then liquidating any Remaining Property at the Leased Premises will likely approach or exceed the value of such assets. Accordingly, the Debtors believe that the Remaining Property at the Leased Premises has inconsequential value to the Debtors' estates and should be abandoned as of the Rejection Effective Date. The Debtors' Prepetition Lender has waived any rights it may have had in any Remaining Property as of the date and time of the Debtors' abandonment and forfeiture thereof in favor of the Landlords; however, the Prepetition Lender has not waived any other property

rights that it may have under the Prepetition Facility, except to the extent set forth in the DIP L/C Facility filed with the Court.

V. IMMEDIATE RELIEF IS NECESSARY

28. Bankruptcy Rule 6003 provides that the relief requested in this First Omnibus Lease Motion may be granted if the “relief is necessary to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003. The Debtors submit that for the reasons already set forth herein, the relief requested in this First Omnibus Lease Motion is necessary to avoid immediate and irreparable harm to the Debtors.

VI. NOTICE

29. The Debtors will provide notice of this First Omnibus Lease Motion to: (i) the Office of the United States Trustee for the District of Delaware; (ii) holders of the forty (40) largest unsecured claims on a consolidated basis against the Debtors; (iii) the Prepetition Lender; (iv) the Landlords in respect of the Rejected Leases; and (v) all parties who have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002. As this First Omnibus Lease Motion is seeking “first day” relief, within two business days of the hearing on this First Omnibus Lease Motion, the Debtors will serve copies of this First Omnibus Lease Motion and any order entered in respect to this First Omnibus Lease Motion as required by Local Rule 9013-1(m). In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

VII. CONCLUSION

WHEREFORE, for the reasons set forth herein and in the Hillebrandt Declaration, the Debtors respectfully request that this Court enter an order, substantially in the form attached hereto, granting the relief requested in the First Omnibus Lease Motion and such other and further relief as is just and proper.

Dated: January 16, 2015

/s/ Maris J. Kandestin

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Exhibit A

Rejected Leases

UNEXPIRED NON-RESIDENTIAL REAL PROPERTY LEASES TO BE REJECTED

Landlord	Store Name & No.	Leased Premises	Notice Address	Additional Notice Address	Description	Rejection Effective Date
5060 Montclair Plaza Lane Owner, LLC	Montclair Plaza (Store No. 25)	2071 E. Montclair Plaza Montclair, CA 91763	Mall Management Office 5060 E. Montclair Plaza Lane Montclair, CA 91763 Attn: General Manager		Non-residential real property lease	01/15/15
Aronov	Hot Springs Mall (Store No. 22)	4501 Central Ave. Hot Springs, AR 71913	c/o Aronov Realty Management, Inc. P.O. Box 235000 (36123--5000) 3500 Eastern Blvd. 36116-1781 Montgomery, AL Attn: Legal Department		Non-residential real property lease	01/15/15
Aronov	University Mall (Store No. 565)	1701 McFarland East Tuscaloosa, AL 35404	University Mall, LLC c/o Aronov Realty Management, Inc. PO Box 23500 (36123-5000) 3500 Eastern Blvd. (36116-1781) Montgomery, AL Attn: Legal Dept.		Non-residential real property lease	01/15/15
AWE Talisman	Fashion Outlets at Las Vegas (Store No. 1724)	32100 S. Las Vegas Blvd. Primm, NV 89109	Fashion Outlet of Las Vegas, LLC 4000 Ponce de Leon Blvd. Coral Gables, FL 33146 Attn: James Schelsinger, President	Fashion Outlet of Las Vegas, LLC 55 Alhambra Circle, Ste. 1250 Coral Gables, FL 33134	Non-residential real property lease	01/15/15
Azalea Joint Venture, LLC	Azalea Shopping Center (Store No. 1407)	201 S. Figueroa St. South Gate, CA 90280	Azalea Joint Venture, LLC c/o Primestor Development 201 S. Figueroa St., Ste. 300 Los Angeles, CA 90012		Non-residential real property lease	01/15/15
Azalea Joint Venture, LLC	Azalea Shopping Center (Store No. 1407a)	201 S. Figueroa St. South Gate, CA 90280	Azalea Joint Venture, LLC c/o Primestor Development 201 S. Figueroa St., Ste. 300 Los Angeles, CA 90012		Non-residential real property lease	01/15/15

Exhibit B

(Proposed Order)

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re

THE WET SEAL, INC., a Delaware
corporation, *et al.*¹

Debtors.

Chapter 11

Case No.: 15-10081 ()

(Jointly Administered)

Re: Docket No. ____

**ORDER GRANTING DEBTORS' FIRST OMNIBUS MOTION AUTHORIZING
THE DEBTORS TO (I) REJECT CERTAIN UNEXPIRED NON-RESIDENTIAL
REAL PROPERTY LEASES PURSUANT TO 11 U.S.C. § 365, AND (II)
ABANDON ANY REMAINING PROPERTY LOCATED AT THE LEASED
PREMISES NUNC PRO TUNC TO THE PETITION DATE**

REJECTED LEASES 1-100

Upon the motion (the "First Omnibus Lease Motion")² of The Wet Seal, Inc. and its subsidiaries, the debtors and debtors in possession (the "Debtors") in the above-captioned jointly administered chapter 11 cases (the "Cases"), for entry of an order, pursuant to sections 105(a), 365 and 554(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), and Rules 6003, 6004, 6006 and 6007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), authorizing the Debtors to (I) reject certain unexpired leases of non-residential real property for certain of the premises leased by the Debtors (collectively, the "Leased Premises"), as set forth on **Exhibit A** to the First Omnibus Lease Motion (the "Rejected Leases"), effective as of the

¹ The Debtors and the last four digits of their respective federal taxpayer identification numbers are as follows: The Wet Seal, Inc. (5940); The Wet Seal Retail, Inc. (6265); Wet Seal Catalog, Inc. (7604); and Wet Seal GC, LLC (2855-VA). The Debtors' address is 26972 Burbank, Foothill Ranch, CA 92610.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the First Omnibus Lease Motion.

Petition Date (the “Rejection Effective Date”), and (II) abandon any remaining personal property and furniture, fixtures and equipment (collectively the “Remaining Property”) located at the Leased Premises, free and clear of all liens, claims, encumbrances, and interests or rights of third parties; and upon consideration of the Hillebrandt Declaration and the record of these chapter 11 Cases; and it appearing that the Court has jurisdiction to consider the First Omnibus Lease Motion pursuant to 28 U.S.C. §§ 1334 and 157, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and it appearing that the First Omnibus Lease Motion is a core matter pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue of these Cases and of the First Omnibus Lease Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and adequate notice of the First Omnibus Lease Motion has been given under the circumstances, and that no other or further notice need be given; and it appearing that the relief requested in the First Omnibus Lease Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and after due deliberation, and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The First Omnibus Lease Motion is GRANTED, as set forth herein.
2. The Rejected Leases listed on **Exhibit A** to the First Omnibus Lease Motion are deemed rejected effective as of the Rejection Effective Date, which is the Petition Date.

3. The Debtors are authorized to abandon any Remaining Property located at or in the Leased Premises in respect of the Rejected Leases pursuant to 11 U.S.C. § 554(a), free and clear of all liens, claims, encumbrances, and interests or rights of third parties.

4. The Landlords are authorized to dispose of any Remaining Property, in their sole discretion, without further notice or any liability to the Debtors and without waiver of any claim that the Landlords may hold against the Debtors.

5. Within three (3) business days after entry of this Order, the Debtors shall serve this Order on the Landlords.

6. The Debtors reserve all rights to contest any rejection damage claim and to contest the characterization of each Rejected Lease, as executory or not, and to contest whether such Rejected Lease may have terminated prior to the Petition Date or otherwise.

7. The Debtors do not waive any claims that they may have against the Landlord to any Rejected Lease, whether or not such claims are related to such Rejected Lease.

8. Nothing in the Motion or this Order shall be deemed or construed as an approval of an assumption of any contract pursuant to section 365 of the Bankruptcy Code, and all such rights are reserved.

9. If the Debtors have deposited monies with a Landlord to a Rejected Lease set forth in **Exhibit A** to the Motion as a security deposit or other arrangement, such Landlord may not setoff or recoup or otherwise use such deposit without the prior authority of this Court.

10. Approval of this Order will not prevent the Debtors from seeking to reject a contract or lease by separate motion.

11. Bankruptcy Rule 6003(b) has been satisfied because the relief requested in the First Omnibus Lease Motion is necessary to avoid immediate and irreparable harm to the Debtors. The requirements of Bankruptcy Rule 6007(a) are waived.

12. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) this Order shall be effective immediately and enforceable upon its entry; (b) the Debtors are not subject to any stay in the implementation, enforcement or realization of the relief granted in this order; and (c) the Debtors are authorized and empowered, and may in their discretion and without further delay, take any action necessary or appropriate to implement this Order.

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

Dated: Wilmington, Delaware
_____, 2015

UNITED STATES BANKRUPTCY JUDGE