

UNITED STATES BANKRUPTCY COURT District of Delaware PROOF OF CLAIM

Name of Debtor: Ashley Stewart Ltd Case Number: 10-13027-KJC

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property): Rosenthal & Rosenthal, Inc. Name and address where notices should be sent: Donald S. Leonard, 1370 Broadway, New York, NY 10018. Telephone number: (212) 356-1486. RECEIVED OCT 18 2010 BMC GROUP. Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: (if known). Filed on:

Name and address where payment should be sent (if different from above): Telephone number: Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: \$ 1,052,606.05 If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges. 5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim.

2. Basis for Claim: Goods Sold (See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: 108218 3a. Debtor may have scheduled account as: (See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: Real Estate Motor Vehicle Other Describe: Value of Property: \$ Annual Interest Rate % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ Basis for perfection: Amount of Secured Claim: \$ Amount Unsecured: \$ 6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain: \*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

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Date: 10/13/2010 Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. Donald S. Leonard / Sr. Vice President

**INSTRUCTIONS FOR PROOF OF CLAIM FORM**

*The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.*

**Items to be completed in Proof of Claim form**

**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

**Creditor's Name and Address:**

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

**1. Amount of Claim as of Date Case Filed:**

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

**2. Basis for Claim:**

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the trustee or another party in interest files an objection to your claim.

**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:**

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

**3a. Debtor May Have Scheduled Account As:**

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

**4. Secured Claim:**

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

**5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).**

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

**6. Credits:**

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

**7. Documents:**

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

**Date and Signature:**

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

**DEFINITIONS**

**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

**Creditor**

A creditor is a person, corporation, or other entity owed a debt by the debtor that arose on or before the date of the bankruptcy filing. See 11 U.S.C. §101 (10)

**Claim**

A claim is the creditor's right to receive payment on a debt owed by the debtor that arose on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

**Proof of Claim**

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

**Secured Claim Under 11 U.S.C. §506(a)**

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

**Unsecured Claim**

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

**Claim Entitled to Priority Under 11 U.S.C. §507(a)**

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

**Redacted**

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

**Evidence of Perfection**

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

**INFORMATION**

**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, please enclose a stamped self-addressed envelope and a copy of this proof of claim. You may view a list of filed claims in this case by visiting the Claims and Noticing Agent's website at <http://www.kccllc.net>

**Offers to Purchase a Claim**

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

**ROSENTHAL & ROSENTHAL INC.**

**STATEMENT OF ACCOUNT**

**10/11/10**

CUST#: 108218 Ashley Stewart Ltd  
c/o Merchandise Payables Dept  
P. O. Box 2518  
Secaucus, NJ 07096  
PH#: (201) 319-9093

India Garments, Inc #2

TRANS	INV NO	INV DT	TERMS	AMOUNT
INV	39290	06/02/10	0000010 EOM 030	104.00
INV	39293	06/15/10	0000010 EOM 030	31,200.00
INV	39294	06/15/10	0000010 EOM 030	936.00
INV	39309	06/22/10	0000010 EOM 030	83.40
INV	39320	07/01/10	0000010 EOM 030	33,109.80
TOTAL DEBITS			65,433.20	
TOTAL CREDITS			0.00	
CLIENT TOTAL			65,433.20	

**& ROSENTHAL INC.**

**STATEMENT OF ACCOUNT**

**10/11/10**

CUST#: 108218 Ashley Stewart Ltd  
c/o Merchandise Payables Dept  
P. O. Box 2518  
Secaucus, NJ 07096  
PH#: (201) 319-9093

Knitwork Productions II, LLC.

TRANS	INV NO	INV DT	TERMS	AMOUNT
INV	601243	07/30/10	45	5,355.00
INV	601244	07/30/10	45	1,848.00
INV	601245	07/30/10	45	48,300.00
INV	601246	07/30/10	45	63,901.25
INV	601247	07/30/10	45	82,853.75
INV	601513	08/05/10	45	17,871.00
INV	601726	08/12/10	45	33,303.00
TOTAL DEBITS				253,432.00
TOTAL CREDITS				0.00
CLIENT TOTAL				253,432.00

ROSENTHAL & ROSENTHAL INC.

STATEMENT OF ACCOUNT

10/11/10

CUST#: 108218 Ashley Stewart Ltd  
 c/o Merchandise Payables Dept  
 P. O. Box 2518  
 Secaucus, NJ 07096  
 PH#: (201) 319-9093

Liberty Apparel Company, Inc.

TRANS	INV NO	INV DT	TERMS	AMOUNT
INV	308233	04/16/10	0400010 EOM 030	883.20
INV	308234	04/09/10	0000010 EOM 030	552.00
INV	308235	04/16/10	0400010 EOM 030	23,956.80
INV	308251	04/01/10	0000010 EOM 030	1,656.00
INV	308279	04/16/10	0400010 EOM 030	8,880.00
INV	308301	04/09/10	0000010 EOM 030	22,869.00
INV	308302	04/15/10	0400010 EOM 030	14,850.00
INV	308315	04/09/10	0000010 EOM 030	82,338.30
INV	308371	04/28/10	60	56.00
INV	308273	04/21/10	0000010 EOM 030	240.00
INV	308274	04/22/10	0400010 EOM 030	720.00
INV	308278	04/27/10	0000010 EOM 030	480.00
INV	308339	04/21/10	0000010 EOM 030	27,600.00
INV	308351	05/07/10	0400010 EOM 030	44,005.50
INV	308352	05/07/10	0400010 EOM 030	21,840.00
INV	308355	04/22/10	0400010 EOM 030	12,000.00
INV	308356	04/27/10	0000010 EOM 030	14,460.00
INV	308367	04/28/10	0400010 EOM 030	11,300.00
INV	308373	04/28/10	0400010 EOM 030	720.00
INV	308385	05/10/10	0000010 EOM 030	11,890.00
INV	308395	05/11/10	0000010 EOM 030	920.00
INV	308396	05/11/10	0000010 EOM 030	41,400.00
INV	308417	05/17/10	0000010 EOM 030	10.00
INV	60521	05/14/10	0400010 EOM 030	11,790.00
INV	308431	05/21/10	0400010 EOM 030	495.00
INV	308432	05/21/10	0400010 EOM 030	21,697.50
INV	308433	05/21/10	0400010 EOM 030	17,490.00
INV	308455	05/28/10	0000010 EOM 030	18,819.00
INV	308456	06/01/10	0000010 EOM 030	5,124.00
INV	308457	06/01/10	0000010 EOM 030	10,591.80
INV	308463	06/01/10	0000010 EOM 030	13,716.00
INV	308464	06/01/10	0000010 EOM 030	3,810.00
INV	308469	06/03/10	0000010 EOM 030	11,410.95
INV	308471	06/08/10	0400010 EOM 030	14,850.00
INV	308476	06/07/10	0000010 EOM 030	35,385.00
INV	308480	06/07/10	0000010 EOM 030	16,800.00
INV	308481	06/07/10	0000010 EOM 030	14,784.00
INV	308497	06/11/10	0400010 EOM 030	14,850.00
INV	308255	07/02/10	0400010 EOM 030	46,559.70
INV	308281	07/02/10	0000010 EOM 030	40,471.20
INV	308428	07/09/10	0000010 EOM 030	31,383.00
INV	308498	06/21/10	0000010 EOM 030	18,200.00
INV	308429	08/06/10	0000010 EOM 030	41,886.90

TOTAL DEBITS	733,740.85
TOTAL CREDITS	0.00
CLIENT TOTAL	733,740.85



*Rosenthal & Rosenthal*

October 13, 2010

BMC Group Inc  
Attn: Urban Brands Claims Processing  
P. O. Box 3020  
Chanhassen, MN 55317-3020

RE: Ashley Stewart Ltd  
Secaucus, NJ  
CLIENT: India Garments, Inc #2  
Knitwork Productions II, LLC  
Liberty Apparel Company, Inc  
CASE#: 10-13027-KJC  
AMT: \$1,052,606.05

Dear Clerk:

We enclose herewith our proof of claim along with supporting statement of account with regards to the above named (**Chapter 11**).

We would appreciate your filing this for us and acknowledging receipt by returning a signed or stamped dated copy of our attached proof of claim in the stamped self addressed envelope provided.

Very truly yours,  
Rosenthal & Rosenthal, Inc.

Elena Armstrong

EA  
CL-P