

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

PROOF OF CLAIM

Name of Debtor:

URBAN BRANDS

Case Number:

10-13005

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):

PENLAND, CHARLENE M

Check this box to indicate that this claim amends a previously filed claim.

Name and address where notices should be sent:

25641046019586
PENLAND, CHARLENE M
3698 RAMSEY CIR SW
ATLANTA, GA 30331

RECEIVED
JAN 07 2011
BMC GROUP

Court Claim Number: (if known)

Filed on:

Name and address where payment should be sent (if different from above):

Telephone No.

Check 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: \$ 8114.58

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 the claim. Attach itemized statement of all 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: SEWING PAY

Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Wages, salaries, or commission (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, which ever is earlier -- 11 U.S.C. § 507(a)(4).

3. Last four digits of any number by which creditor identifies debtor: 9265

Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).

Up to \$2,600* of deposits toward purchase lease, or rental of property or services for personal, family, or household use -- 11 U.S.C. § 507(a)(7).

Taxes or penalties owed to governmental units -- 11 U.S.C. § 507(a)(8).

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

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:

Section 503(b)(9) Claim -- check this box if your claim is for the value of goods received by the Debtor within 20 days before the commencement of the case -- 11 U.S.C. § 503(b)(9).

Other -- Specify applicable paragraph of 11 U.S.C. § 507(a)().

Amount entitled to priority:

\$

* Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9): \$

7. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

8. 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 DOCUMENT MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

Date: 12/15/2010

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.

Charlene Penland CHARLENE PENLAND

FOR COURT USE ONLY Urban Brands



00431

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, District of Delaware), 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. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9)

State the value of any goods received by the debtor within 20 days before the date of commencement in which the goods have been sold to the debtor in the ordinary course of the debtor's business.

7. Credits:

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

8. 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 the person, corporation, or other entity owed a debt by the debtor on 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 that was owed by the debtor 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 form 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**Acknowledgement of Filing a 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.bmcgroup.com/UrbanBrands>

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(c), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

PLEASE SEND COMPLETED PROOFS OF CLAIM TO:

Via Regular U.S. Mail **Via Overnight Courier**

| | |
|---|---|
| BMC Group, Inc. Attn: Urban Brands Claims Processing P.O. Box 3020 Chanhassen, MN 55317 | BMC Group, Inc. Attn: Urban Brands Claims Processing 18750 Lake Drive East Chanhassen, MN 55317 |
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GENERAL RELEASE AGREEMENT

This General Release Agreement ("Agreement") is between Charlene Penland ("Employee") and Urban Brands, Inc. ("Employer"), hereinafter known as "parties."

WHEREAS, Employee was employed by Employer as a Regional Manager;

WHEREAS, Employee's employment with Employer ended effective July 9, 2010 (the "Separation Date");

WHEREAS, the parties desire to settle fully and finally, in the manner set forth herein, all differences between them which have arisen, or which may arise, prior to, or at the time of, the execution of this Agreement, including, but in no way limited to, any and all claims and controversies arising out of the employment relationship between Employee and Employer and the termination thereof:

In consideration of these recitals and the promises and agreements set forth in this Agreement, Employee's employment with Employer will terminate upon the following terms:

1. **General Release:** Employee for herself and on behalf of her attorneys, heirs, assigns, successors, executors, and administrators **IRREVOCABLY AND UNCONDITIONALLY RELEASES, ACQUITS AND FOREVER DISCHARGES** Employer and its current and former parent, subsidiary, affiliated, and related corporations, firms, associations, partnerships, and entities, their successors and assigns, and the current and former owners, shareholders, directors, officers, employees, agents, attorneys, representatives, and insurers of said corporations, firms, associations, partnerships, and entities, and their guardians, successors, assigns, heirs, executors, and administrators (hereinafter "Releasees") from any and all claims, liabilities, obligations, agreements, damages, causes of action, costs, losses, damages, and attorneys' fees and expenses whatsoever, whether known or unknown or whether connected with Employee's employment by Employer or not, including, but not limited to, any dispute, claim, charge, or cause of action arising under the **Age Discrimination in Employment Act, 29 U.S.C. § 621, et seq., Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e, et seq., the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101, et seq., the Employee Retirement Income Security Act of 1974, as amended 29 U.S.C. § 1001, et seq., the Georgia Fair Employment Practices Act of 1978, Ga. Code 49-19** and any other municipal, local, state, or federal law, common or statutory, which may have arisen, or which may arise, prior to, or at the time of, the execution of this Agreement.

2. **Confidentiality:** The parties agree that they will keep the terms, amount, and existence of this Agreement **STRICTLY AND COMPLETELY CONFIDENTIAL**, and that they will not communicate or otherwise disclose to any employee of Employer (past, present, or future), or to a member of the general public, the terms, amount, or existence of this Agreement, except as may be required by law or compulsory process; provided however, that Employee may disclose this Agreement to her attorneys and/or any healthcare providers that she chooses to

consult about her physical or mental health. If asked about any of such matters, Employee's and the Employer's response shall be that they do not care to discuss any of such matters.

3. Severance Terms: Upon the expiration of seven (7) days of Employee's execution of this Agreement and in exchange for both Employee's release and her agreement to assist Employer in transition of her duties (as described below), Employer shall agree to do the following:

a. Pay Employee Sixteen Thousand Two Hundred Twenty Two Dollars and Sixteen Cents (\$16,229.16)) less appropriate deductions for payroll taxes (the "Severance"). The Severance shall be paid in equal installments over eight (8) weeks (the "Severance Period"), as salary continuation and paid on regular pay periods after the expiration of the Revocation Period. Employee acknowledges and agrees that the Severance includes any monies owed for unused, accrued vacation days.

b. Continue to pay Employee up to Eight Thousand One Hundred Fourteen Dollars and Fifty Eight Cents (\$8,114.58) less appropriate deductions for payroll taxes (the "Extended Severance") in the event that Employee has not found substantially comparable employment at the conclusion of the Severance Period. The Extended Severance shall be paid in equal installments over four (4) weeks (the "Extended Severance Period") as salary continuation and paid on regular pay periods after the expiration of the Severance Period. Employer's obligation to pay the Extended Severance shall cease on the earlier of the end of the Extended Severance Period or the date upon which Employee obtains substantially comparable employment. Employee shall have an obligation to notify Employer in the event that she obtains employment following the Separation Date so that Employer, in its sole discretion, may determine whether the employment is substantially comparable to her employment with Employer. In the event that Employee fails to report such employment, she shall forfeit her rights to Severance and/or Extended Severance.

c. Provide Employee a neutral reference (only job title and dates of employment) in response to any inquiries regarding Employee's employment with Employer.

d. Remove any warnings or disciplinary actions from Employer's personnel file.

e. Not contest any unemployment claim filed after the expiration of the Extended Severance Period if she is unemployed.

4. Return of property: The parties agree that Employee has returned all of Employer's property to Employer..

5. Nondisparagement: Employee and Employer, on behalf of its managing agents authorized to speak on its behalf, agree that they will not make any public or private statements, comments or communications in any form, oral, written or electronic, which could, in any way, constitute libel, slander or disparagement of any of the aforementioned parties or entities, or which may be considered to be derogatory or detrimental to the good name or business reputation of any of any of the aforementioned parties or entities; provided, however, that the terms of this Section 5 shall not apply to communications between any person and his/her

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I am working

spouse, clergy or attorneys or health care providers, which are subject to a claim of privilege existing under common law, statute or rule of procedure, nor shall it apply to truthful statements made in response to a subpoena or during the course of any investigation by any law enforcement authority. Where applicable, this non-disparagement covenant applies to any public or private statements, comments or communications in any form, oral, written or electronic, about the Releasees' officers, directors, employees or business or personnel practices. The parties further agree that they will not in any way solicit any such statements, comments or communications.

6. Reconciliation of Expenses: Employee shall prepare a final expense reconciliation, including a reconciliation of her unpaid American Express charges, in accordance with Employer policy and within five (5) business of the Separation Date. In the event that based on the reconciliation Employee owes Employer money, Employee agrees that Employer may withhold any such sums from her final wages and/or the Severance and Extended Severance. In the event that based on the reconciliation, Employer owes Employee money, Employer shall pay Employee those sums in accordance with its policy.

7. Trade Secrets: Employee acknowledges that she has had access to and become familiar with various trade secrets and proprietary and confidential information of Employer, its subsidiaries and affiliates, including, but not limited to, processes, computer programs, compilations of information, records, sales procedures, customer requirements, pricing techniques, customer lists, methods of doing business and other confidential information (collectively, referred to as "Trade Secrets") which are owned by Employer, its subsidiaries and/or affiliates and regularly used in the operation of its business, and as to which Employer, its subsidiaries and/or affiliates take precautions to prevent dissemination to persons other than certain directors, officers and employees. Employee acknowledges and agrees that the Trade Secrets (1) are secret and not known in the industry; (2) give Employer or its subsidiaries and/or affiliates an advantage over competitors who do not know or use the Trade Secrets; (3) are of such value and nature as to make it reasonable and necessary to protect and preserve the confidentiality and secrecy of the Trade Secrets; and (4) are valuable and special and unique assets of Employer or its subsidiaries and/or affiliates, the disclosure of which could cause substantial injury and loss of profits and goodwill to Employer or its subsidiaries and/or affiliates. Employee may not use in any way or disclose any of the Trade Secrets, directly or indirectly, at any time in the future, except as required in connection with a judicial or administrative proceeding, or if the information becomes public knowledge other than as a result of an unauthorized disclosure by the Employee. All files, records, documents, information, data, and similar items relating to the business of Employer, whether prepared by Employee or otherwise coming into her possession, will remain the exclusive property of Employer, and in any event must be promptly delivered to Employer upon the end of the Severance Period. Employee agrees upon her receipt of any subpoena, process, or other request to produce or divulge, directly or indirectly, any Trade Secrets to any entity, agency, tribunal, or person, Employee shall timely notify and promptly deliver a copy of the subpoena, process or other request to Employer. For this purpose, Employee irrevocably nominates and appoints Employer (including any attorney retained by Employer), as her true and lawful attorney-in-fact, to act in Employee's name, place and stead to perform any act that Employee might perform to defend and protect against any disclosure of any Trade Secret.

8. Non-Admissions: Employee acknowledges that by entering into this Agreement, Employer does not admit, and does specifically deny, any violation of any local, state, or federal law.

9. Severability: If any provision of this Agreement is held to be illegal, invalid, or unenforceable, such provision shall be fully severable and/or construed in remaining part to the full extent allowed by law, with the remaining provisions of this Agreement continuing in full force and effect.

10. Revocation: Employee may revoke this Agreement by notice to the other party, in writing, within seven (7) days of the date of its execution by Employee (the "Revocation Period") by faxing notice to Dave Brown at 201-319-0189. Employee agrees that she will not receive the benefits provided by this Agreement if she revokes this Agreement. Employee also acknowledges and agrees that if Employer has not received from him notice of her revocation of this Agreement prior to the expiration of the Revocation Period, Employee will have forever waived her right to revoke this Agreement and this Agreement shall thereafter be enforceable and have full force and effect.

11. Cooperation: For one year following the Separation Date, Employee will cooperate in all reasonable respects with the Releasees in connection with any business matter related to any and all existing or future litigation, actions or proceedings (whether civil, criminal, administrative, regulatory or otherwise) brought by or against any of the Releasees to the extent Employer reasonably deems Employee's cooperation necessary. Employee shall be reimbursed for all reasonable out-of-pocket expenses incurred by Employee as a result of such cooperation. In the event that any third party wants to discuss any legal matter regarding Employer with Employee, Employee shall immediately notify Employer of such a request and require the third party to subpoena her for any information. In the event that Employee is subpoenaed for testimony, nothing in this Agreement shall prohibit Employee from providing truthful testimony. Employer additionally agrees to schedule such assistance in such a manner as not to interfere with any alternative employment obtained by Employee when possible.

12. Entire Agreement: This Agreement constitutes the entire agreement between the parties, and supersedes all prior and contemporaneous negotiations and agreements, oral or written except that Employee shall continue to have all obligations under any restrictive covenants (non-compete, non-solicitation, nondisclosure) that Employee signed while employed by Employer. This Agreement cannot be changed or terminated except pursuant to a written agreement executed by the parties.

13. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, except where preempted by federal law.

14. Statement of Understanding: By executing this Agreement, Employee acknowledges that (a) she has had at least twenty-one (21) days to consider the terms of this Agreement and has considered its terms for that period of time or has knowingly and voluntarily waived her right to do so; (b) she has been advised by Employer to consult with an attorney regarding the terms of this Agreement; (c) she has consulted with, or has had sufficient opportunity to consult with, an attorney of her own choosing regarding the terms of this

TRANSMISSION VERIFICATION REPORT

TIME : 08/02/2010 18:13
NAME :
FAX :
TEL :
SER. # : 000M7N336813

DATE, TIME 08/02 18:13
FAX NO./NAME 12014904077
DURATION 00:00:18
PAGE(S) 01
RESULT OK
MODE STANDARD
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Agreement; (d) she has read this Agreement and fully understand its terms and their import; (e) except as provided by this Agreement, she has no contractual right or claim to the benefits described herein; (f) the consideration provided for herein is good and valuable; and (g) she is entering into this Agreement voluntarily, of her own free will, and without any coercion, undue influence, threat, or intimidation of any kind or type whatsoever.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXECUTED in ATLANTA, GA this 2nd day of August, 2010.


Charlene Penland

EXECUTED in Secaucus, New Jersey this ___ day of _____, 2010.

URBAN BRANDS, LLC

By: _____

Its: _____