



UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE		PROOF OF CLAIM
Name of Debtor: Carraizo Alto Apparel Corporation <i>Urban Brands, Inc.</i>		Case Number: 10-13007-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): MARIANELLA PADILLA		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.
Name and address where notices should be sent:  25641042090071 MARIANELLA PADILLA JOSE A MULLET #2 HORMIGUEROS, PR 00660		RECEIVED JAN 13 2011 BMC GROUP
Name and address where payment should be sent (if different from above): <i>Marianela Padilla</i> <i>Jose A. Mulet #2</i> <i>Hormigueros, P.R. 00660</i>		Court Claim Number: _____ (if known) Filed on: _____
1. Amount of Claim as of Date Case Filed: \$ <u>11,725.00</u> 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. <input type="checkbox"/> 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: <u>payroll liquidation payment.</u> (See instruction #2 on reverse side.)		<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input checked="" type="checkbox"/> 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). <input type="checkbox"/> Contributions to an employee benefit plan -- 11 U.S.C. § 507(a)(5). <input type="checkbox"/> 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). <input type="checkbox"/> Taxes or penalties owed to governmental units -- 11 U.S.C. § 507(a)(8). <input type="checkbox"/> 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). <input type="checkbox"/> Other -- Specify applicable paragraph of 11 U.S.C. § 507(a)(____).
3. Last four digits of any number by which creditor identifies debtor: <u>4651</u> 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) <u>N/A</u> 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: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> 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. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9): \$ <u>N/A</u> (See instruction #6 on reverse side.)		
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:		* 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.
Date: <u>01/07/11</u>	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. <i>Marianela Padilla</i> Marianela Padilla	FOR COURT USE ONLY Urban Brands  00460

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**INFORMATION****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.

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(e), 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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SEVERANCE AGREEMENT AND GENERAL RELEASE

This Severance Agreement and Release ("Agreement") is entered into between **MARIANELLA PADILLA** and Urban Brands, Incorporated and its subsidiaries (collectively, the "Company").

The Company is terminating the Employee due to the sale of the Company and the employee's position ceases to exist. Whereas, being under no obligation, the Company wishes to aid the Employee in transition to other employment by providing severance pay; and Whereas, the Employee and the Company desire to resolve any differences and disputes now pending or which may arise in the future with respect to Employee's employment and the termination thereof.

Therefore, Employee and the Company acknowledge and voluntarily agree as follows:

1. The termination of Employee's employment with the Company is effective on or before last day of service.
2. The Company will pay Employee \$125,000.00 as severance less appropriate payroll deductions. The payments will be made on a bi weekly basis in conjunction with the Company's regular payroll periods. The severance will begin the first business day after the associate's unused vacation pay has been filled.
3. If covered, the Company will continue to pay the same portion of the premium cost of the Employee's provided benefits on a bi-weekly basis, while continuing to deduct the Employee's portion of the provided benefits through the severance period. Any continuation of provided benefits by Employee beyond this period of time will be in accordance with the Consolidated Budget Reconciliation Act ("COBRA").
4. The Company will limit references to neutral employment information about Employee such as verification of dates of employment, position title and final rate of pay.
5. In consideration of the mutual agreements and covenants set forth herein, the sufficiency of which is hereby acknowledged, Employee agrees to completely and irrevocably discharge and release the Company, its parent and all affiliated corporations and their shareholders, directors, agents and employees from any and all actions and causes of actions with respect to any aspect of your employment by, or separation of employment from the Company, including but not limited to any claims under federal, state or local laws with respect to race, sex, age and other forms of laws relating to employment and its termination and including but not limited to, any claim of wrongful discharge, breach of contract and/or employment discrimination in violation of Title VII of the Civil Rights Act of 1964 42 USC § 2000 et seq., the Employee Retirement Income Security Act (ERISA) and the federal Age Discrimination in Employment Act (ADEA); or any other Federal or State employment law deemed applicable.
6. Employee agrees to never commence, maintain or prosecute any action, lawsuit, claim, charge or grievance against the Company or any affiliate of the Company based upon any claim or causes of action which Employee has released in this Agreement;
7. Employee agrees that breaking any of the promises Employee makes in this Agreement will be considered a breach that could result in the Employee being responsible for all damages

that arise from any such breach. These damages may include return of all Company funds and benefits provided under this Agreement, and all attorneys' fees and costs incurred by the Company because of Employee's breach. Employee's breach shall not effect the validity of the release and promises set forth in paragraphs 5 and 6, which will remain in full force and effect;

8. Employee agrees that this agreement may not be changed orally and contains the entire agreement of the parties and supercedes all prior understandings oral and written between Employee and the Company; and
9. If at any time during the Severance period, Employee obtains employment with another company, your employee benefits shall immediately terminate.
10. That the benefits offered by the Company and accepted by the Employee are in excess of the benefits he/she would be entitled to receive; that each understands and had the opportunity to receive counsel regarding their rights, obligations and liabilities; that nothing in this Agreement should be construed as an admission by the Company of any breach of any Agreement or any intentional or unintentional wrongdoing of any nature; and it is understood that the sole Agreement between the parties may not be modified or terminate orally.

Employee has seven (7) days from the date he/she signs this Agreement to revoke it by sending a written notice to the attention of Mark A. Gunn Executive Vice President of Human Resources, 100 Metro Way, Secaucus, NJ 07094. After that seven- (7) day period, this Agreement shall become final and irrevocable.

In the event that Employee breaches any of the aforementioned representations and promises, the Company shall be under no obligation to make the special allowance described above.

IN WITNESS WHEREOF, and intending to be legally bound hereby,
and URBAN BRANDS, INC., have executed the foregoing Severance and Release Agreement.

"EMPLOYEE"

Dated: 02-07-09

By: 

"EMPLOYER"
URBAN BRANDS, INC.

Dated: 2/7/09

By: 

Mark A. Gunn
Vice President Human Resources

/O=URBAN BRANDS/OU=SECAUCUS/CN=RECIPIENTS/CN=MPADILLA

From: Yvette Gomez
Sent: Thursday, January 29, 2009 2:27 PM
To: George Gomez; Evelyn Rodriguez; Marianela Padilla
Subject: FW: Agreement offer

FYI

Yvette Gomez

-----Original Message-----

From: Mark Gunn
Sent: Thursday, January 29, 2009 2:02 PM
To: Yvette Gomez
Subject: Re: Agreement offer

Yvette

I can address with each individual what there issues are.

To answer your questions specifically:

The paragraph that speaks to benefits refers to your health and medical benefits will be terminated. Your salary continues but any medical benefits cease upon new employment.

The companies practice on all severances is to pay in accordance with the companies normal pay practices. The severance will paid over the course of time.

In case of death the severance is paid to the estate of the of the employee.

Anyone who has questions please have them call me individually.

I will get them whatever they need.

Mark

Mark A. Gunn
Executive VICE President - Chief Strategic Officer Urban Brands, Inc.
100 Metro Way
Secacus, NJ 07094
201-319.9093 ext. 2328
mgunn@urbanbrands.com

www.ashleystewart.com
www.mariannestores.com

----- Original Message -----

From: Yvette Gomez
To: Mark Gunn
Sent: Thu Jan 29 13:30:06 2009
Subject: Agreement offer

Mark

I have been approached by several of the team members in regards of what the agreement stipulates and things it does not:

- * The benefits clause is not clear. Could you please confirm that by termination of benefits in case we find a job refers to the Cobra benefit.
- * Second, why cant part of the money be paid in a lump sum?
- * Last but not least, in case of death what happens with the severance?