

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

<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>UBI Liquidating Corp., et al.,<sup>1</sup></b>	)	<b>Case No. 10-13005 (KJC)</b>
	)	
<b>Debtors.</b>	)	<b>Jointly Administered</b>
	)	
	)	<b>Re: Docket No. 1384</b>

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**DECLARATION OF STEPHEN FELDMAN IN SUPPORT  
OF CONFIRMATION OF JOINT PLAN OF LIQUIDATION  
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

I, Stephen Feldman, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. I am the Chief Restructuring Officer of the UBI Liquidating Corp (f/k/a Urban Brands, Inc.) and its affiliated debtors and debtors in possession (collectively, the “Debtors”) which maintains offices at 100 Metro Way, Secaucus, New Jersey 07094. Prior to the sale of their business, the Debtors owned and operated retail stores under the Ashley Stewart

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<sup>1</sup> The Debtors in these cases, along with the last four digits of the federal tax identification number for each of the Debtors, are UBI Liquidating Corp. (3678), 100% Girls Ltd. (4150), 100% Girls of Georgia, Inc. (4159), 100% Girls of New York, Inc. (2149), 100 Percent Girls of New Jersey, Inc. (4167), A.S. Interactive, Inc. (3472), ASL Liquidating Corp. (4541), Ashley Stewart Apparel Corporation (4049), Ashley Stewart Clothing Company, Inc. (4051), ASMCI Liquidating Corp. (4053), ASWL Liquidating Corp. (4152), ASIL 6, Inc. (3996), ASNJ 10, Inc. (4004), Carraizo Alto Apparel Corporation (4651), Church Street Retail, Inc. (5954), Kid Spot Ltd. (2585), Kidspot of Delaware, Inc. (2596), Kidspot of Illinois, Inc. (2606), Kidspot of Michigan, Inc. (2603), Kidspot of New Jersey, Inc. (2601), Kidspot of Ohio, Inc. (4705), Kidspot of Pennsylvania, Inc. (2599), Kidspot of Texas, Inc. (3809), Large Apparel of Alabama, Inc. (0624), Large Apparel of California, Inc. (2129), Large Apparel of Connecticut, Inc. (5161), Large Apparel of District of Columbia, Inc. (8613), Large Apparel of Florida, Inc. (2209), Large Apparel of Georgia, Inc. (3894), Large Apparel of Illinois, Inc. (4650), Large Apparel of Indiana, Inc. (4055), Large Apparel of Louisiana, Inc. (3790), Large Apparel of Maryland, Inc. (5158), Large Apparel of Michigan, Inc. (9420), Large Apparel of Mississippi, Inc. (5913), Large Apparel of Missouri, Inc. (2135), Large Apparel of New Jersey, Inc. (5157), Large Apparel of New York, Inc. (5956), Large Apparel of North Carolina, Inc. (8611), Large Apparel of Ohio, Inc. (3815), Large Apparel of Pennsylvania, Inc. (4057), Large Apparel of South Carolina, Inc. (2029), Large Apparel of Tennessee, Inc. (3895), Large Apparel of Texas, Inc. (3787), Large Apparel of Virginia, Inc. (2809), Large Apparel of Wisconsin, Inc. (3898), Marianne Ltd. (3940), Marianne USPR, Inc. (2193), Marianne VI, Inc. (2206), Metro Apparel of Kentucky, Inc. (7533), Metro Apparel of Massachusetts, Inc. (1367), The Essence of Body & Soul, Ltd. (4165), UACONJI Liquidating Corp. (2976), UACONYI Liquidating Corp. (4103), and UBTHC Liquidating Corp. (5909). The Debtors’ corporate offices are located at 100 Metro Way, Secaucus, New Jersey 07094.

brand name. I have served as Chief Restructuring Officer to the Debtors since February 11, 2011.

2. I submit this declaration (the "Declaration") in support of confirmation of the *Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code*, dated July 20, 2011 and filed on September 9, 2011 [Docket No. 1384] (together with all exhibits attached thereto and the Plan Supplement filed on September 30, 2011 [Docket No. 1431], the "Plan"). All capitalized terms used herein and not otherwise defined are used as defined in the Plan and the *Disclosure Statement for Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code* [Docket No. 1385] (as it was filed on September 9, 2011, the "Disclosure Statement"). Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents or my opinion based upon my experiences, knowledge and information concerning the Debtors' operations and financial condition and the industry as a whole. If I were called upon to testify, I would testify competently to the facts set forth herein. I am authorized by the Debtors to submit this Declaration.

3. Based upon my active, personal involvement in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), I believe that the Plan was proposed in good faith. Furthermore, I believe that the Debtors, as proponents of the Plan, acting through their respective agents, representatives and professionals, conducted themselves in a manner that complies with applicable law relating to the formulation and negotiation of, and voting on, the Plan.

#### **BACKGROUND**

4. On September 21, 2010 (the "Petition Date"), each of the Debtors filed a petition with the Bankruptcy Court under chapter 11 of the Bankruptcy Code. The Debtors are operating and managing their property as debtors in possession pursuant to sections 1107(a) and

1108 of the Bankruptcy Code. These Chapter 11 Cases are jointly administered, and no request for the appointment of a trustee or examiner has been made. On October 1, 2010, the Office of the United States Trustee for the District of Delaware appointed the Creditors' Committee which consists of seven members.

5. As of the Petition Date, the Debtors were a leading recognized brand for fashion-forward and inspirational apparel for plus sized urban women and operated approximately 210 stores in 26 states. The store base was reinforced by a strong online presence through AshleyStewart.com, providing both a marketing tool as well as an additional outlet for Ashley Stewart customers.

6. Since the Petition Date, the Debtors successfully consummated the sale of substantially of the Debtors' assets. Following the closing of the sale of the Debtors' assets to the New Ashley Stewart LLC (the "Purchaser"), the Purchaser has continued to operate the Ashley Stewart retail chain.

7. Specifically, on October 25, 2010 and continuing into October 26, 2010, the Debtors conducted an auction (the "Auction"). The Auction included over thirty rounds of spirited and competitive bidding from four bidders. At the Auction, the Purchaser was selected as the successful and winning bidder. On October 27, 2010, the Bankruptcy Court conducted a hearing (the "Sale Hearing") and entered its *Order (A) Approving the Sale Substantially all of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances and Interests; (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; (C) Establishing Assumption and Rejection Procedures for Certain Additional Executory Contracts and Unexpired Leases; (D) Approving Guidelines for Conducting Store Closing Sales; (E) Approving Agency Agreement; and (F) Extending the Deadline to Assume or Reject*

*Unexpired Leases of Nonresidential Real Property Pursuant to 11 U.S.C. § 365(D)(4)* [Docket No. 434]. The sale to the Purchaser closed on October 29, 2010. Consequently, in light of the consummation of the sale of substantially all of the Debtors' assets, the Debtors no longer have any ongoing retail business operations.

8. On August 10, 2011, the Debtors filed their *Motion of Debtors and Debtors in Possession for Entry of an Order (A) Approving Form and Manner of Disclosure Statement Hearing, (B) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Proposed Chapter 11 Plan, (C) Scheduling a Hearing on Confirmation of Proposed Chapter 11 Plan and Approving Related Notice Procedures, and (D) Extending the Debtors' Exclusive Solicitation Period Through and Including October 31, 2011* [Docket No. 1349] (the "Solicitation Procedures Motion"). On September 9, 2011, the Debtors filed the Plan and the Disclosure Statement [Docket Nos. 1384 & 1385].

9. On September 7, 2011, following a hearing to consider the Disclosure Statement and the Solicitation Procedures Motion, this Court entered its *Order (A) Approving Form and Manner of Disclosure Statement Hearing, (B) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Proposed Chapter 11 Plan, (C) Scheduling a Hearing on Confirmation of Proposed Chapter 11 Plan and Approving Related Notice Procedures, and (D) Extending the Debtors' Exclusive Solicitation Period Through and Including October 31, 2011* [Docket No. 1378] (the "Disclosure Statement Order"). Pursuant to the Disclosure Statement Order, this Court approved the Disclosure Statement. Additionally, pursuant to the Disclosure Statement Order, this Court granted the relief requested in the Solicitation Procedures Motion and, among other things, (a) established procedures for soliciting and tabulating votes to accept or reject the Plan; (b) scheduled a hearing on confirmation of the

Plan for October 19, 2011 at 1:00 p.m. (Eastern Standard Time) (the “Confirmation Hearing”); and (c) fixed certain notice procedures in connection with the Plan and Confirmation Hearing.

10. As set forth in the *Affidavit of Service* [Docket No. 1402], the Debtors, through their claims, noticing, balloting and solicitation agent, BMC Group, Inc. (“BMC”), caused a copy of the Disclosure Statement, the Plan and the appropriate ballots to be mailed to each party in interest entitled to vote on the Plan in accordance with the Disclosure Statement Order on or before September 14, 2011. Only members of classes that are impaired under the Plan, and not otherwise deemed to automatically reject the Plan pursuant to the Bankruptcy Code, were entitled to vote on the Plan. As such, only members of Class 4 (General Unsecured Claims) were entitled to vote to accept or reject the Plan. Holders of Claims in Class 1 (Bank of America Secured Lender Claims), Class 2 (Other Secured Claims), and Class 3 (Priority Non-Tax Claims) are unimpaired under the Plan and, consequently, are deemed to have accepted the Plan pursuant to the Bankruptcy Code. Holders of Claims in Class 5 (Equity Interests) shall not receive or retain any distribution under the Plan and are conclusively deemed to have rejected the Plan pursuant to the Bankruptcy Code. Pursuant to the Disclosure Statement Order, the Debtors caused a *Notice of Non-Voting Status* to be mailed to holders of Claims or Equity Interests in Class 1 (Bank of America Lender Claims), Class 2 (Other Secured Claims), Class 3 (Priority Non-Tax Claims) and Class 5 (Equity Interests) no less than twenty-eight days prior to October 12, 2011. The Disclosure Statement Order established October 12, 2011 at 5:00 p.m. (Eastern Standard Time), or such other date established by the Debtors, as the deadline for receipt of votes to accept or reject the Plan (the “Voting Deadline”), provided, however, that the Disclosure Statement Order provided the Debtors with the authority to extend the Voting Deadline without

further order of the Court to a date no later than two (2) business days before the Confirmation Hearing. The Voting Deadline was October 12, 2011 at 5:00 p.m. (Pacific Standard Time).

**COMPLIANCE WITH THE BANKRUPTCY CODE**

11. Plan Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). I believe that the Plan complies with the following requirements of the Bankruptcy Code:

12. Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). Article III of the Plan designates five Classes of Claims or Equity Interests. I am familiar with the classification of Claims and Equity Interests in the Plan and believe that such classification system is based upon the legal nature and relative rights of the Claims and Equity Interests, and is not proposed for any improper purposes. Each Class contains only Claims or Equity Interests that are substantially similar to other Claims and Equity Interests therein. Additionally, Article II of the Plan designates (but does not classify) Claims of the type described in section 503(b) of the Bankruptcy Code (administrative claims and claims for professional fees) and section 507(a)(8) of the Bankruptcy Code (Allowed Priority Tax Claims).

13. Specified Treatment of Unimpaired Claims (11 U.S.C. §§ 1123(a)(2)). Article III of the Plan specifies whether each Class of Claims and Equity Interests is Impaired or not Impaired under the Plan.

14. Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Article III of the Plan further sets forth the treatment of each Class of Claims and Equity Interests.

15. No Discrimination (11 U.S.C. § 1123(a)(4)). Pursuant to the Plan, the treatment of each Claim or Equity Interest in each particular Class is the same as the treatment of each other Claim or Equity Interest in such Class, unless the holder of a particular Claim or Equity Interest has agreed to a less favorable treatment of such particular Claim or Equity Interest.

16. Implementation of the Plan (11 U.S.C. § 1123(a)(5)). Article IV of the Plan and various other provisions of the Plan provide adequate and proper means for implementation of the Plan. Specifically, on the Effective Date, the Debtors shall transfer (as described in Article IV.B.2 of the Plan) to the UBI Liquidating Trust all of their right, title and interest in all of the Liquidating Trust Fund (including, among others, the right to any undeliverable, time-barred or unclaimed distributions to holders of Allowed Claims and all Causes of Action other than the Released Avoidance Actions) free and clear of any lien, Claim or Equity Interest in such property of any other person or entity except as otherwise provided in the Plan. The Debtors or such other persons that may have possession or control of any part of the Liquidating Trust Fund shall be authorized and directed to execute any and all documents and perform any and all acts necessary to transfer possession or control of such assets that are part of the Liquidating Trust Fund to the Liquidating Trustee on the Effective Date.

17. Nonvoting Equity Securities (11 U.S.C. § 1123(a)(6)). The Plan is a liquidating plan that calls for the dissolution of the Debtors; accordingly, section 1123(a)(6) of the Bankruptcy Code is not applicable.

18. Continuation of Existing Corporate Officers and Directors (11 U.S.C. § 1123(a)(7)). Currently, I am the Debtors' sole officer. In accordance with Article IV.G.4 of the Plan, as soon as is reasonably practicable following the Effective Date and upon the filing by or on behalf of the Debtors of a certification to that effect with the Bankruptcy Court, the Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of each of the Debtors or payments to be made in connection therewith.

19. Impairment of Classes (11 U.S.C. § 1123(b)(1)). Article III of the Plan impairs or leaves unimpaired, as the case may be, each Class of Claims or Equity Interests under the Plan.

20. Treatment of Executory Contracts and Unexpired Leases (11 U.S.C. § 1123(b)(2)). Pursuant to Article VII.A of the Plan, effective as of the Effective Date, each executory contract and unexpired lease that has not been assumed or rejected by the Debtors prior to the Effective Date with the approval of the Bankruptcy Court shall be deemed rejected pursuant to sections 365 and 1123 of the Bankruptcy Code.

21. Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). To the best of my knowledge, the Debtors, as proponents of the Plan, have complied with the Bankruptcy Code in proposing the Plan and with the Disclosure Statement Order in commencing and conducting the solicitation of acceptances or rejections of the Plan.

22. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). To the best of my knowledge, the proponents of the Plan have proposed the Plan in good faith and not by any means forbidden by law. The Debtors, as proponents of the Plan, have, to the best of my knowledge, information and belief, acted in good faith in the negotiation and formulation of the Plan.

23. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Any payment made or to be made by the Debtors for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Court as reasonable.

24. Directors, Officers, Voting Trustee and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have disclosed, or intend to disclose prior to the commencement of the



Confirmation Hearing, the identity, affiliations and compensation of the Liquidating Trustee and members of the Liquidating Trust Committee. Pursuant to Article II, section 2.4 of that certain *Liquidating Trust Agreement* (substantially in the form filed with the Plan Supplement, the "Liquidating Trust Agreement"), the Liquidating Trustee shall be entitled to reimburse itself and the members of the Liquidating Trust Committee out of any available Cash in the Liquidating Trust, for its actual out-of-pocket expenses and against and from any and all loss, liability, expense or damage which the Liquidating Trustee or any such member may sustain in good faith and without willful misconduct, gross negligence or fraud in the exercise and performance of any of the powers and duties of the Liquidating Trustee or the Liquidating Trust Committee under the Liquidating Trust Agreement. As compensation for the performance of his duties, the Liquidating Trustee shall be compensated in an amount and manner set forth in "Exhibit A" to the Liquidating Trust Agreement. Each member of the Liquidating Trust Committee shall be paid the compensation set forth in Article III, section 3.6 of the Liquidating Trust Agreement.

25. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Plan does not provide for rate changes subject to the jurisdiction of any governmental regulatory agency.

26. Best Interests of Creditors Test (11 U.S.C. § 1129(a)(7)). With respect to each impaired Class, each holder of a Claim or Equity Interest against the Debtors either has accepted the Plan or will receive or retain under the Plan on account of such Claim or Equity Interest property of a value, as of the Effective Date, that is not less than the amount that such holder would have received or retained had the Debtors been liquidated under chapter 7 of the Bankruptcy Code on such date.

27. Treatment of Administrative and Tax Claims (11 U.S.C. § 1129(a)(9)). Pursuant to Article II.A of the Plan, each holder of an Allowed Administrative Claim shall

receive in full satisfaction thereof an amount in Cash equal to the Allowed amount of such Claim as soon as is reasonably practicable after the Effective Date of the Plan, unless the holder of such Allowed Claim shall have agreed to different treatment of such Claim. Pursuant to Article II.B of the Plan, each holder of an Allowed Priority Tax Claim shall receive in full satisfaction thereof an amount in Cash equal to the Allowed amount of such Claim as soon as is reasonably practicable after the Effective Date of the Plan, unless the holder of such Allowed Claim shall have agreed to different treatment of such Claim.

28. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). More than a majority in number and two-thirds in dollar amount of the non-insider creditors in Class 4 (General Unsecured Claims) who were entitled to accept or reject the Plan have voted to accept the Plan. Therefore, section 1129(a)(10) of the Bankruptcy Code is satisfied.

29. Feasibility (11 U.S.C. § 1129(a)(11)). The Plan itself calls for liquidation of the Debtors; therefore, confirmation of the Plan is not likely to be followed by the need for further financial reorganization of the Debtors, thereby satisfying (or eliminating the need to consider) section 1129(a)(11) of the Bankruptcy Code.

30. Payment of Fees (11 U.S.C. § 1129(a)(12)). All fees under 28 U.S.C. § 1930 presented to date have been paid or provided for, thereby satisfying section 1129(a)(12) of the Bankruptcy Code. Such fees shall be paid post-confirmation by the UBI Liquidating Trust, consistent with Article XI.B of the Plan to the extent required by 28 U.S.C. § 1930.

31. Retiree Benefits (11 U.S.C. § 1129(a)(13)). The Debtors provide no “retiree benefits” as such term is defined in section 1114 of the Bankruptcy Code. Therefore, 11 U.S.C. § 1129(a)(13) is inapplicable and need not be addressed.

32. Identification of Plan Proponents (Fed. R. Bankr. P. 3016(a)). As required by Bankruptcy Rule 3016(a), the Plan is dated and identifies the Plan proponents as the Debtors.

33. Fair and Equitable; No Unfair Discrimination (11 U.S.C. § 1129(b)). Class 4 is an impaired class under the Plan. Classes 1, 2 and 3 are unimpaired and, as such, are conclusively presumed to have accepted the Plan pursuant to the Bankruptcy Code. Class 5 will receive no distribution and retain no interest under the Plan and has conclusively rejected the Plan pursuant to the Bankruptcy Code. No holder of Claims or Equity Interests junior to the Equity Interests in Class 5 will receive or retain any property under the Plan on account of such junior Claim or Equity Interest, and no class of Claims senior to Class 5 is receiving more than full payment on account of the Claims in such Class. Accordingly, the Plan does not discriminate unfairly and is fair and equitable with respect to Class 5; therefore, the Plan complies with section 1129(b) of the Bankruptcy Code and may be confirmed notwithstanding Class 5's deemed rejection of the Plan.

34. Principal Purpose of Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933.

35. Section 1129(c) -- Only One Plan. Other than the Plan, no plan has been filed in the Chapter 11 Cases and neither the Debtors nor any other party are presently seeking confirmation of any plan other than the Plan. Therefore, the Plan complies with section 1129(c) of the Bankruptcy Code.

36. Compliance with Bankruptcy Rule 3016(c). In accordance with Bankruptcy Rule 3016(c), the Plan describes in specific and conspicuous bold language all acts

to be enjoined and identifies the entities that would be subject to the injunction to the extent required thereunder.

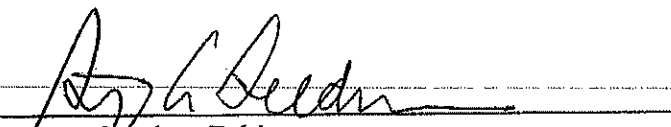
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**CONCLUSION**

Based on the foregoing, I believe that the Plan satisfies the requirements of the Bankruptcy Code and should be confirmed.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Dated: October \_\_, 2011



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Name: Stephen Feldman  
Title: Chief Restructuring Officer of the debtors  
and debtors in possession.