

**EXHIBIT A**

**PROPOSED ORDER**

**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. __</b>

**ORDER AUTHORIZING AND APPROVING THE SETTLEMENT  
AGREEMENT AMONG THE UBI LIQUIDATING TRUST, NEW ASHLEY  
STEWART, INC., AND THE CIT GROUP/COMMERCIAL SERVICES, INC.**

This matter coming before the Court on the *Motion of the UBI Liquidating Trust Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019 for an Order Authorizing and Approving the Settlement Agreement Among the UBI Liquidating Trust, New Ashley Stewart, Inc., and The CIT Group/Commercial Services, Inc.* (the "Motion")<sup>2</sup>; the Court having reviewed the Motion; the Court finding that (a) the Court has jurisdiction over this matter

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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.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Motion.

pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (c) notice of this Motion having been provided to, inter alia, the U.S. Trustee; the Liquidating Trust Committee; New Ashley Stewart; CIT, and all parties who have timely filed requests for notice under Bankruptcy Rule 2002(i), (d) the proposed settlement is fair and equitable, provides substantial benefits to the Debtors' estates and is well above the lowest point in a range of reasonableness, and (e) the proposed settlement was reached with the advice of competent and experienced professionals for the Debtors, New Ashley Stewart and CIT; and the Court having determined that due notice of the Motion and hearing has been given and no other or further notice need be given, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors' estates and creditors; and after due deliberation and sufficient cause appearing therefor,

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Settlement Agreement attached hereto as Exhibit 1 is authorized and approved.
3. The failure to specifically include any particular provisions of the Settlement Agreement in the Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Settlement Agreement be authorized and approved in its entirety.
4. The Trust, its trustee, officers, employees and agents, are authorized to take or refrain from taking such acts as are necessary and appropriate to implement and effectuate the relief granted herein.

5. This Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order, and all matters relating to or arising in connection with the Settlement Agreement.

Dated: \_\_\_\_\_, 2011  
Wilmington, Delaware

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THE HONORABLE KEVIN J. CAREY  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1**

**SETTLEMENT AGREEMENT**

## REMITTANCE AND RELEASE AGREEMENT

**THIS REMITTANCE AND RELEASE AGREEMENT** (this "Agreement") is made this 13th day of April, 2012, by and among UBI Liquidating Trust, as successor in interest to UBI Liquidating Corp. f/k/a Urban Brands, Inc. and certain affiliates which are listed on Exhibit 1 hereto<sup>1</sup> (collectively, prepetition, the "Company" and post-petition, the "Debtors"), New Ashley Stewart, Inc., a Delaware corporation, in its capacity as "Buyer Designee" under that certain Amended and Restated Asset Purchase Agreement, dated as of October 27, 2010, by and among Urban Brands, Inc., each of the Subsidiaries of Urban Brands, Inc. listed therein, and New Ashley Stewart LLC (the "Asset Purchaser") and The CIT Group/Commercial Services, Inc. ("CIT").

**WHEREAS**, CIT factored, purchased, was assigned and/or made other financial accommodations with respect to accounts receivable arising from the sale of goods and/or provision of services by numerous vendors ("Factored Accounts") to the Company which are clients of CIT and/or clients of refactoring clients of CIT (collectively, the "Clients");

**WHEREAS**, CIT requested that the Company arrange a standby letter of credit issued for the benefit of CIT as beneficiary to induce CIT to factor, purchase, be assigned and/or make other financial accommodations with respect to Factored Accounts;

**WHEREAS**, upon the application of the Company (specifically Urban Brands, Inc., Ashley Stewart Woman Ltd. and Marianne Ltd.), LaSalle Bank N.A. (the "Bank") issued an Irrevocable Standby Letter of Credit dated March 8, 2007 in the face amount of \$2,000,000.00 for the benefit of CIT (as amended and supplemented, the "Letter of Credit");

**WHEREAS**, pursuant to the terms and conditions of the agreements between CIT and the Clients, some of the Factored Accounts were handled on a notification basis and some were handled on a non-notification basis, meaning, in the former case, that the Company was directed to pay amounts owed on a Factored Account to CIT and, in the latter case, that the Company was directed to pay amounts owed on a Factored Account to the respective Client;

**WHEREAS**, on September 21, 2010 (the "Petition Date"), the Debtors filed voluntary petitions for relief under Title 11 of the United States Code, 11 U.S.C. §§ 101, et. seq. (the "Bankruptcy Code") in the District of Delaware (the "Bankruptcy Court") commencing the Bankruptcy Case;

**WHEREAS**, prior to the filing of the Bankruptcy Case, CIT received and/or the Clients received payments and/or other transfers from the Company on Factored Accounts, including payments within the 90 days prior to the Petition Date (the "Preference Period"), which may have been to or for the benefit of CIT and/or the Clients, thus, potentially exposing to CIT and/or the Clients to claims under Chapter 5 of the Bankruptcy Code (collectively, the "Avoidance Actions");

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<sup>1</sup> All of which are jointly administered under Case No. 10-13005 (the "Bankruptcy Case").

**WHEREAS**, CIT drew on the Letter of Credit and received \$2,000,000.00 (the "LOC Proceeds") from the Bank as the result of CIT's draw on the Letter of Credit;

**WHEREAS**, the Debtors sold substantially all of their assets, including the right to pursue certain Avoidance Actions to the Asset Purchaser and such sale was confirmed by final order of the Bankruptcy Court entered on October 27, 2010 ("Sale Order");

**WHEREAS**, the Debtors and the Asset Purchaser have advised CIT that the Asset Purchaser acquired all Avoidance Actions against CIT and the Clients with respect to the Factored Accounts and all transfers to or for the benefit of CIT and/or the Clients that occurred during the Preference Period;

**WHEREAS**, the Debtors have advised CIT that it has not conveyed, transferred and/or assigned the right to pursue Avoidance Actions to any other party, and no order has been entered by the Bankruptcy Court conveying, transferring, assigning and/or authorizing any other party to pursue Avoidance Actions;

**WHEREAS**, CIT has applied a portion of the LOC Proceeds to the payment of certain Factored Accounts that were unpaid on the Petition Date;

**WHEREAS**, after such application of the LOC Proceeds, \$487,295.54 in amount of LOC Proceeds remains ("Preference Hedge");

**WHEREAS**, the Debtors have requested that CIT remit the Preference Hedge to the Debtors in exchange for the consideration herein;

**WHEREAS**, CIT has agreed to remit the Preference Hedge to the Debtors in exchange for the consideration herein and subject to the conditions set forth herein; and

**WHEREAS**, following good faith negotiations through their respective attorneys, the Debtors, CIT, and the Asset Purchaser have agreed to the terms of this Agreement.

**NOW, THEREFORE**, for certain good and valuable consideration as further described herein, and in consideration of the foregoing, and in consideration of the mutual covenants and promises hereinafter set forth, the receipt, adequacy and sufficiency of which is hereby acknowledged, it is hereby agreed by the parties to this Agreement as follows:

1. Recitals.

The recitals set forth above: (i) are expressly incorporated herein, (ii) are a substantive, contractual part of this Agreement, (iii) shall be deemed warranties and representations of the parties to this Agreement and (iv) are confirmed by the parties as true and correct.

2. Approval of Agreement.

Upon execution of this Agreement, the Debtors, through counsel, shall promptly file a motion and all other necessary papers to seek and obtain a final and non-appealable order of the Bankruptcy Court, approving this Agreement and the Debtors' execution thereof (the "Approval Order"), which order shall be in a form acceptable to all parties to this Agreement. If an Approval Order is not entered by May 31, 2012, the terms and conditions of this Agreement shall become null and void.

3. Remittance.

CIT shall transmit the Preference Hedge to the Debtors' estates in accordance with the wire transfer instructions set forth below within ten (10) business days of the later of the date: (a) the Approval Order becomes final and non-appealable and (b) CIT receives a copy of the Approval Order and an IRS Form W-9 completed by the Debtors.

4. Release.

(a) Effective immediately upon Court approval of this Agreement, the Debtors, the Debtors' chapter 11 estates, and the Asset Purchaser, each on their own behalf and on behalf of their successors, assigns, affiliates, and representatives (including any current or subsequently appointed committees or subsequently appointed chapter 11 or chapter 7 trustee) (collectively, the "Releasing Parties") fully and forever release, acquit, discharge, and covenant not to sue CIT and its successors, assigns, affiliates, officers, directors, members, employees, equity holders, partners, agents, consultants, advisors (including, without limitation, financial advisors, lawyers, and accountants) and all Clients from any and all claims, disputes, deductions, taken credits, untaken credits, losses, actions, suits, rights, damages, costs, fees, expenses (including attorneys' fees), compensation, accounts, demands, obligations, liabilities, controversies, and causes of action of every character, nature, kind, or description whatsoever, known or unknown, liquidated or unliquidated, fixed, disputed or contingent, foreseen or unforeseen, suspected or unsuspected, material or immaterial, legal or equitable, and however rising, which the Releasing Parties now have or may hereafter have by reason of any matter, cause, thing, or subject matter related to: (i) any payment, transfer, remittance and/or other conveyance to or for the benefit of CIT, (ii) any payment, transfer, remittance and/or other conveyance to or for the benefit of any Client with respect to any Factored Account, (iii) any Factored Account and (iv) any Avoidance Action provided, however, that the foregoing shall not release any of the Clients from any cause of action seeking to recover payments made by the Debtors or CIT in excess of invoiced amounts due and owing.

(b) Effective immediately upon Court approval of this Agreement, CIT on its own behalf, on behalf of the Clients (but only to the extent CIT acquired rights of the Clients embodied by Factored Accounts), and on behalf of its successors, assigns, affiliates, and representatives (collectively, the "CIT Releasing Parties") fully and forever release, acquit, discharge, and covenant not to sue the Debtors, the Debtors' chapter 11 estates, and the Asset Purchaser and their successors, assigns, affiliates, officers, directors, members, employees, equity holders, partners, agents, consultants, advisors (including, without limitation, financial advisors,

lawyers, and accountants) from any and all claims, disputes, deductions, taken credits, untaken credits, losses, actions, suits, rights, damages, costs, fees, expenses (including attorneys' fees), compensation, accounts, demands, obligations, liabilities, controversies, and causes of action of every character, nature, kind, or description whatsoever, known or unknown, liquidated or unliquidated, fixed, disputed or contingent, foreseen or unforeseen, suspected or unsuspected, material or immaterial, legal or equitable, and however rising, which the CIT Releasing Parties now have or may hereafter have by reason of any matter, cause, thing, or subject matter related to: (i) any payment, transfer, remittance and/or other conveyance to or for the benefit of CIT or the Debtors and their estates, and (ii) any payment, transfer, remittance and/or other conveyance to or for the benefit of any Client with respect to any Factored Account.

CIT agrees that it shall not assert any claim in the Bankruptcy Case with respect to the Factored Accounts or CIT's remittance of the Preference Hedge to the Debtors.

5. Reasonable Assistance from CIT

In the event that any of the Clients submit a proof of claim or otherwise seek recovery from the Debtors, the Debtors' estates or the Asset Purchaser on account of claims arising under the Factored Accounts that were satisfied through the distribution of the LOC Proceeds, CIT shall reasonably assist the Debtors and the Debtors' estates in obtaining information regarding the satisfaction of such Factored Accounts to assist the Debtors in objecting to such claims.

6. Remittance of Preference Hedge

The Preference Hedge shall be sent by federal funds, bank wire transfer to:

TD Bank

Account Number: 4253238640

ABA Routing Number: 031201360

Account Name: Urban Brands, Inc. DIP CASE # 10-13005 DIST DE

Address: 100 Metro Way, Secaucus, NJ 07094

The Debtors affirm that CIT may make payment strictly on the basis of the account number listed above even if such account number identifies a party other than the name of the account party listed above. In the event the account number listed above is incorrect, the Debtors agree to be fully liable for any losses, costs and expenses arising therefrom. The Debtors shall reimburse CIT for all bank wire charges incurred or paid by CIT in making remittances pursuant to this Agreement. Any such charges may be deducted from the Preference Hedge. Additionally, the Debtors authorize the bank to which such wire instruction refer to disclose information regarding the such account to CIT in order to permit CIT to confirm the accuracy and validity of these wiring instructions.

7. Representations and Warranties of the Parties.

Each of the parties hereto represents, warrants and covenants to each of the other parties hereto that:

(a) Each has: (i) reviewed all aspects of this Agreement, (ii) has carefully read and fully understands all the provisions of this Agreement, (iii) had a full opportunity to consult with legal counsel of its own choice concerning the matters set forth in this Agreement and (iv) consulted with such counsel to the extent deemed appropriate in order to fully understand the terms, conditions, purpose and effect of this Agreement.

(b) Each has all necessary power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly and validly executed and delivered by each party hereto and, assuming the due authorization, execution and delivery by each of the other parties hereto, constitutes the legal, valid and binding obligation of such party enforceable against it in accordance with the terms of the Agreement, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and by such principles of equity as may affect the availability of equitable remedies.

8. Further Assurances.

Each of the parties hereto agrees that, upon another party's request, each shall do, make, procure, execute and deliver all acts, things, writings and assurances as are necessary or appropriate to effectuate the intent of this Agreement.

9. No Recourse Against the Asset Purchaser.

Notwithstanding anything herein to the contrary the Debtors', the Debtors' estates and CIT shall have no recourse against the Asset Purchaser, or any of its successors, assigns, affiliates, officers, directors, members, employees, equity holders, partners, agents, consultant and advisors (including, without limitation, financial advisors, lawyers and accountants) for any payments due and owing under this Agreement or related to the Letter of Credit or the Factored Accounts.

10. Expense of Litigation.

The parties hereto shall each bear their respective attorneys' fees and costs associated with the negotiations and implementation of this Agreement. However, if any action is commenced by any party hereto to enforce the provisions of this Agreement, the prevailing party shall be entitled to an award, in addition to any other claims or damages, of its costs and expenses including reasonable attorneys' fees, in connection with said action.

11. Miscellaneous.

This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same agreement. A facsimile or electronically transmitted signature shall constitute an original signature for the purposes of binding the parties hereunder and shall have the same force and effect as an original signature. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the application of conflicts of law rules; and shall be binding upon the parties hereto and their respective successors and assigns. If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement

and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law. The parties hereto acknowledge that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or supplements thereto. This Agreement shall be effective the date first written above. This Agreement may not be amended or changed in any respect or in any manner other than by a writing signed by the parties hereto. No course of dealing between the parties hereto shall change or modify this Agreement. Each party hereto understands and agrees that neither the making of this Agreement, nor anything contained herein, shall be construed or considered in any way to be an admission of guilt, wrongdoing, tortious act, breach of contract, or violation of common law, or noncompliance with federal, state or local law, statute, order or regulation, or any other wrongdoing whatsoever. All headings used herein are for convenience of reference only and do not constitute a substantive part of this Agreement and shall not effect its interpretation. Each party to this Agreement hereby agrees that the Bankruptcy Court shall have exclusive jurisdiction to hear and determine any claims or disputes among the parties pertaining directly or indirectly to this Agreement or any matter arising therefrom. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY WAIVES TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATED TO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, effective on the date first written above.

**THE CIT GROUP/COMMERCIAL SERVICES, INC.**

By: Timothy Cropper  
Name: Timothy Cropper  
Title: Managing Director

**UBI LIQUIDATING TRUST**

By: 

Name: Stephen Feldman

Title: Liquidating Trustee of the UBI Liquidating Trust

New Ashley Stewart, Inc.

By: Michael A. Abate  
Name: Michael A. Abate  
Title: VP / TREASURER

## **Exhibit 1**

UBI Liquidating Corp.  
100% Girls Ltd.  
100% Girls of Georgia, Inc.  
100% Girls of New York, Inc.  
100 Percent Girls of New Jersey, Inc.  
A.S. Interactive, Inc., ASL Liquidating Corp.  
Ashley Stewart Apparel Corporation  
Ashley Stewart Clothing Company, Inc.  
ASMC Liquidating Corp.  
ASWL Liquidating Corp.  
ASIL 6, Inc.  
ASNJ 10, Inc.  
Carraizo Alto Apparel Corporation  
Church Street Retail, Inc.  
Kid Spot Ltd.  
Kidspot of Delaware, Inc.  
Kidspot of Illinois, Inc.  
Kidspot of Michigan, Inc.  
Kidspot of New Jersey, Inc.  
Kidspot of Ohio, Inc.  
Kidspot of Pennsylvania, Inc.  
Kidspot of Texas, Inc.  
Large Apparel of Alabama, Inc.  
Large Apparel of California, Inc.  
Large Apparel of Connecticut, Inc.  
Large Apparel of District of Columbia, Inc.  
Large Apparel of Florida, Inc.  
Large Apparel of Georgia, Inc.  
Large Apparel of Illinois, Inc.  
Large Apparel of Indiana, Inc.  
Large Apparel of Louisiana, Inc.  
Large Apparel of Maryland, Inc.  
Large Apparel of Michigan, Inc.  
Large Apparel of Mississippi, Inc.  
Large Apparel of Missouri, Inc.  
Large Apparel of New Jersey, Inc.  
Large Apparel of New York, Inc.  
Large Apparel of North Carolina, Inc.  
Large Apparel of Ohio, Inc.  
Large Apparel of Pennsylvania, Inc.  
Large Apparel of South Carolina, Inc.  
Large Apparel of Tennessee, Inc.  
Large Apparel of Texas, Inc.

Large Apparel of Virginia, Inc.  
Large Apparel of Wisconsin, Inc.  
Marianne Ltd.  
Marianne USPR, Inc.  
Marianne VI, Inc.  
Metro Apparel of Kentucky, Inc.  
Metro Apparel of Massachusetts, Inc.  
The Essence of Body & Soul, Ltd.  
UACONJI Liquidating Corp.  
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UBTHC Liquidating Corp.