

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

In re:) **Chapter 11**
)
UBI Liquidating Corp., et al.,¹) **Case No. 10-13005 (KJC)**
)
Debtors.) **Jointly Administered**
)
) **Re: Docket No. 1649**

**CERTIFICATION OF NO OBJECTION REGARDING MOTION OF THE
LIQUIDATING TRUSTEE PURSUANT TO SECTION 105(a) OF THE BANKRUPTCY
CODE AND BANKRUPTCY RULE 9019 FOR AN ORDER AUTHORIZING AND
APPROVING THE STIPULATION OF SETTLEMENT BY AND AMONG THE
UBI LIQUIDATING TRUST, THE LIQUIDATING TRUST COMMITTEE,
AND THE NEW 5-7-9 AND BEYOND, INC.**

The undersigned certifies as follows:

1. On October 2, 2012, Stephen A. Feldman, the liquidating trustee (the “Liquidating Trustee”) of the UBI Liquidating Trust, as successor to UBI Liquidating Corp. and its affiliated debtors, and the Liquidating Trust Committee (the “Committee”), filed the **Motion of the Liquidating Trustee Pursuant to Section 105(a) of the Bankruptcy Code and**

¹ 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.

Bankruptcy Rule 9019 for an Order Authorizing and Approving the Stipulation of Settlement by and Among the UBI Liquidating Trust, the Liquidating Trust Committee, and the New 5-7-9 and Beyond, Inc. (the “Motion”) with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 (the “Court”). In support of the Motion, the Liquidating Trustee submitted the *Declaration of Stephen A. Feldman in Support of the Motion of the Liquidating Trustee 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, the Liquidating Trust Committee, and The New 5-7-9 and Beyond, Inc.*, attached as Exhibit B to the Motion.

2. The undersigned certifies that she has reviewed the Court’s docket in the above-captioned chapter 11 cases and no answer, objection or other responsive pleading to the Motion appears thereon. Pursuant to the Notice of Motion and Hearing, responses to the Motion were to be filed and served no later than 4:00 p.m. (Eastern Daylight Time) on October 17, 2012. The undersigned further certifies that neither she nor the Liquidating Trustee and the Committee have received any inquiries, objections or informal responses to the Motion.

WHEREFORE, the Liquidating Trustee and the Committee respectfully request that the proposed form of order, substantially in the form attached to the Motion and attached hereto as Exhibit A, be entered at the earliest convenience of the Court.

Dated: October 23, 2012
Wilmington, Delaware



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- and -

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Counsel for the Liquidating Trust Committee

EXHIBIT A

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

In re:)	Chapter 11
)	
UBI Liquidating Corp., <u>et al.</u>,¹)	Case No. 10-13005 (KJC)
)	
Debtors.)	Jointly Administered
)	
)	Re: Docket No. 1649

**ORDER AUTHORIZING AND APPROVING THE STIPULATION OF
SETTLEMENT BY AND AMONG THE UBI LIQUIDATING TRUST, THE
LIQUIDATING TRUST COMMITTEE, AND THE NEW 5-7-9 AND BEYOND, INC.**

This matter coming before the Court on the *Motion of the Liquidating Trustee 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, the Liquidating Trust Committee, and The New 5-7-9 and Beyond, Inc.* (the "Motion");² the Court having reviewed the Motion; the Court finding that (a) the Court has jurisdiction over this matter

¹ The Debtor in this case is UBI Liquidating Corp. (3678). On May 18, 2012, the Court entered an order closing the chapter 11 cases of 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 Debtor's corporate office are located at 100 Metro Way, Secaucus, New Jersey 07094.

² 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; 5-7-9, 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 Liquidating Trustee, the Liquidating Trust Committee and 5-7-9; 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 Trustee and his 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: October ____, 2012
Wilmington, Delaware

THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1
SETTLEMENT AGREEMENT

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

-----X
In re:) Chapter 11
)
UBI Liquidating Corp., *et al.*,¹) Case No. 10-13005 (KJC)
)
Debtors.) Jointly Administered
-----X

STIPULATION OF SETTLEMENT

WHEREAS, on September 21, 2010 (the "Petition Date"), the above-captioned debtors (the "Debtors") filed their voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") with this Court. UBI Liquidating Corp., formerly known as Urban Brands, Inc., is the direct or indirect parent company of each of the other Debtors; and

¹ The Debtor in this case is UBI Liquidating Corp. (3678). On May 18, 2012, the Court entered an order closing the chapter 11 cases of 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 Debtor's corporate office are located at 100 Metro Way, Secaucus, New Jersey 07094.

WHEREAS, by order of the Court dated October 19, 2011, the Debtors confirmed their Joint Plan of Liquidation under Chapter 11 of the Bankruptcy Code (the "Plan") which Plan became effective on December 1, 2011; and

WHEREAS, under the Plan, all of the Debtors were substantively consolidated and all claims filed against such Debtors were treated as though filed against UBI Liquidating Corp.; and

WHEREAS, under the Plan, the UBI Liquidating Trust was established as the successor to UBI Liquidating Corp., and Stephen A. Feldman was appointed as the liquidating trustee (the "Liquidating Trustee"); and

WHEREAS, prior to the Petition Date, The New 5-7-9 and Beyond, Inc. ("5-7-9"), as buyer, and Debtors Large Apparel of New Jersey, Inc., Marianne USPR, Inc., Carraizo Alto Apparel Corporation, and Marianne VI, Inc., as sellers (collectively, the "Sellers"), and Debtor Urban Brands, Inc. ("UBI"), entered into an Asset Purchase Agreement dated January 23, 2009, as modified and amended pursuant to those certain letter agreements dated as of February 2, 2009, February 5, 2009, February 18, 2009, March 5, 2009, March 31, 2009, and April 23, 2009 (collectively, the "APA"); and

WHEREAS, pursuant to the APA, the Sellers and UBI agreed to jointly and severally indemnify and hold 5-7-9 harmless from any and all claims made against 5-7-9 relating to, among other things, Excluded Liabilities (as defined in the APA) and any third party claims relating to the operation of the Transferred Stores or Transferred Assets (both as defined in the APA) relating to the period of time prior to the closing on the APA, which claims are the obligations of the Sellers and/or UBI; and

WHEREAS, in conjunction with the APA, a certain Escrow Agreement dated as of January 23, 2009, as modified and amended pursuant to First Amendment to Escrow Agreement, dated April 23, 2009, was entered into by and among 5-7-9, the Sellers and UBI, as consented to by Bank of America, N.A. (collectively, the "Escrow Agreement"), pursuant to which 5-7-9 deposited a portion of the Purchase Price (as defined in the APA) with Seltzer Sussman Habermann & Heitner LLP (the "Escrow Agent") for release in accordance with the terms of the APA and the Escrow Agreement; and

WHEREAS, pursuant to the APA, 5-7-9 was granted a lien and security interest, and otherwise retained ownership of the funds in the possession of the Escrow Agent; and

WHEREAS, from time to time, the Escrow Agent has remitted a portion of the funds it is holding back to 5-7-9 on account of claims asserted by third parties against 5-7-9 which claims were Excluded Liabilities (as defined in the APA) and/or third party claims relating to the operation of the Transferred Stores (as defined in the APA) or Transferred Assets (as defined in the APA) relating to the period of time prior to the closing on the APA, which claims were the obligations of the Sellers and/or UBI; and

WHEREAS, as of July 31, 2012, the balance of funds with the Escrow Agent equals \$330,463.99 (the "Escrow Balance"); and

WHEREAS, against each of the bankruptcy estates of Debtors Large Apparel of New Jersey, Inc., Marianne USPR, Inc., Carraizo Alto Apparel Corporation, Marianne VI, Inc., and UBI, 5-7-9 filed the following:

- (a) Proofs of Claim dated January 10, 2011 in an amount of not less than \$3,429,429.06, of which \$373,787.84 was asserted as a secured claim, and the balance of not less than \$3,055,641.22 was asserted as a general unsecured claim,

on account of certain litigation exposure recited and defined therein as the Litigation, which claims were assigned Claim Nos. 470, 471, 472, 473, and 474 (collectively, the "Claims");

(b) Amended Proofs of Claim dated February 24, 2011 in an amount of not less than \$3,429,429.06, of which \$373,787.84 was asserted as a secured claim, and the balance of not less than \$3,055,641.22 was asserted as a general unsecured claim, on account of the original Litigation (redefined therein as the Puerto Rico Litigation) and certain additional litigation exposure recited and defined therein as the Infringement Litigation, which claims were assigned Claim Nos. 744, 745, 746, 747, and 748 (collectively, the "Amended Claims"); and

(c) Second Amended Proofs of Claim dated September 22, 2011 in an amount of not less than \$3,461,829.06, of which \$357,256.14 was asserted as a secured claim, and the balance of not less than \$3,104,572.92 was asserted as a general unsecured claim, on account of the Puerto Rico Litigation (redefined therein as the Morales Realty Litigation), the Infringement Litigation, and a new litigation identified therein as the Soto Litigation, which claims were assigned Claim Nos. 829, 830, 831, 832, and 833 (collectively, the "Second Amended Claims"); and

WHEREAS, on or about April 1, 2011, and after the filing by 5-7-9 of the Claims and the Amended Claims but before the filing of the Second Amended Claims, the Debtors filed their First Omnibus (Non-Substantive) Objection to Claims [Docket No. 1194] (the "Claims Motion") seeking an Order, among other things, disallowing the Claims filed by 5-7-9; and

WHEREAS, 5-7-9 provided an informal response and objection to the Claims Motion;
and

WHEREAS, 5-7-9, the Debtors and then the Trustee have since agreed to adjourn: (1) the due date for a formal objection to the Claims Motion to be filed by 5-7-9, and (2) the hearing date on the Claims Motion; and

WHEREAS, as indicated above, subsequent thereto, 5-7-9 filed the Second Amended Claims; and

WHEREAS, on or about November 11, 2011, the Debtors filed their Motion, Pursuant to §§ 105, 363, and 554 of the Bankruptcy Code, for Entry of an Order Authorizing the (I) Abandonment and Destruction of Certain Files and Electronic Records and (II) Expenditure of Estate Funds in Accordance Therewith [Docket No. 1476] (the "Abandonment Motion"); and

WHEREAS, 5-7-9 filed a Limited Objection to the Abandonment Motion (the "Limited Objection"); and

WHEREAS, the Trustee, the Debtors and 5-7-9, by their respective counsel, have agreed to resolve all issues amongst the parties concerning the Claims, the Amended Claims, the Second Amended Claims, and the Escrow Balance, the Claims Motion and the Abandonment Motion;

NOW THEREFORE, IT IS HEREBY STIPULATED AND AGREED BY AND BETWEEN THE UNDERSIGNED PARTIES AS FOLLOWS:

1. The recitals set forth above are incorporated herein as if fully set forth herein at length.
2. The Claims, the Amended Claims, and the Second Amended Claims are to be expunged.

3. 5-7-9 shall immediately receive the Escrow Balance, and the Escrow Agent is hereby directed to remit the Escrow Balance to 5-7-9.

4. Effective upon receipt of the Escrow Balance by 5-7-9 pursuant to this Stipulation, the Limited Objection to the Abandonment Motion will be deemed withdrawn.

5. Upon the entry of an order by the Court approving this Stipulation, the parties hereto hereby remise, release and forever discharge each other and their respective officers, directors, employees, agents, attorneys, accountants, successors and assigns of and from all manner of actions, causes of action, suits, debts, dues, sums of money, accounts, reckoning, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extends, executions, claims and demands whatsoever, in law, in admiralty, or in equity, which against them they ever had, now have or which they or their successors hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date hereof, including but not limited to the Claims, the Amended Claims, the Second Amended Claims, any other claim which may exist under the APA, and/or pertaining to the purchase and sale of the Marianne stores referenced therein.

6. This Stipulation contains the entire agreement between the parties, and may only be modified in writing and signed by the parties or their duly appointed agents.

7. This Stipulation is binding upon 5-7-9, the Debtors, The Trustee, their heirs, successors, and assigns, and any subsequent trustee appointed in the Debtors' bankruptcy cases.

8. The Court shall retain jurisdiction to enforce the terms and conditions of this Stipulation.

9. This Stipulation may be executed in any number of counterparts, and such counterpart will, for all purposes, be deemed an original instrument provided all parties have received executed counterparts from the other parties hereto, but all such counterparts together will constitute but one and the same document.

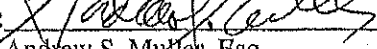
10. For purposes of this Stipulation, faxed or e-mailed copies shall be deemed originals.

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IN WITNESS WHEREOF, the undersigned have caused these presents to be executed by their proper representatives.


Dated: New York, New York
August 26, 2012

Platzer, Swergold, Karlin,
Levine, Goldberg & Jaslow, LLP
Counsel for The New 5-7-9 and Beyond, Inc.

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Dated: New York, New York
August ____, 2012

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Dated: Wilmington, Delaware
August ____, 2012

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