

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

In re:	)	Chapter 11
URBAN BRANDS, INC., <u>et al.</u> , <sup>1</sup>	)	Case No. 10-13005 (KJC)
	)	Jointly Administered
Debtors.	)	Re: Docket No. 92

**ORDER GRANTING MOTION OF THE DEBTORS FOR AN ADMINISTRATIVE  
ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND 331 ESTABLISHING  
PROCEDURES FOR INTERIM MONTHLY COMPENSATION AND  
REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

Upon the Motion of the Debtors for an Administrative Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals (the "Motion");<sup>2</sup> and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all

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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 Urban Brands, Inc. (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), Ashley Stewart Ltd. (4541), Ashley Stewart Apparel Corporation (4049), Ashley Stewart Clothing Company, Inc. (4051), Ashley Stewart Management Co., Inc. (4053), Ashley Stewart Woman Ltd. (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), Urban Acquisition Corporation of New Jersey, Inc. (2976), Urban Acquisition Corporation of New York, Inc. (4103), and Urban Brands TM Holding Co. (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.

parties in interest; and the Court having heard the evidence and statements of counsel regarding the Motion and having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. Except as may otherwise be provided in other orders of this Court authorizing the retention of a particular Professional, all Professionals employed in the Chapter 11 Cases shall seek interim payment of Compensation in accordance with the following procedures (the "Compensation Procedures");

a. On or after the 20<sup>th</sup> day of each calendar month, each of the Professionals seeking interim compensation for services rendered may file with the Court an application (the "Monthly Fee Application"), pursuant to section 331 of the Bankruptcy Code, for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during the immediately preceding month (the "Monthly Compensation Period") and serve a copy of such Monthly Fee Application on: (i) the Debtors, c/o Urban Brands, Inc., 100 Metro Way, Secaucus, NJ 07094 (Attn: Michael Abate); (ii) counsel to the Debtors, Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq.); (iii) counsel to any official committee appointed in the Chapter 11 Cases; and (iv) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: David Buchbinder, Esq.) (collectively, the "Notice Parties"). Any Professional that fails to file a Monthly Fee Application for a particular month or months may subsequently submit a consolidated Monthly Fee Application for a particular month or months. All Monthly Fee Applications shall comply with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), applicable law, the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), and the Guidelines established by the Office of the United States Trustee.

b. Each Notice Party will have twenty (20) days after filing and service of a Monthly Fee Application to object to such application (the "Objection Deadline"). Upon the expiration of the Objection Deadline, each Professional may file a certificate of no objection or a certificate of partial no objection with the Court, whichever is applicable, after which the Debtors are authorized to pay each Professional an amount (the "Actual Payment") equal to the lesser of (i) eighty percent (80%) of the fees and one hundred percent (100%) of the expenses requested in the Monthly Fee Application (the

“Maximum Payment”), and (ii) eighty percent (80%) of the fees and one hundred percent (100%) of the expenses not subject to an objection pursuant to subparagraph (c) below.

c. If any Notice Party objects to a Professional’s Monthly Fee Application, it must file with the Court and serve on the affected Professional and each of the Notice Parties a written objection (the “Objection”), which must be filed with the Court and received by the affected Professional and the Notice Parties on or before the Objection Deadline. Thereafter, the objecting party and the affected Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution of the Objection within twenty (20) days after service of the Objection, the affected Professional may either: (i) file a response to the Objection with the Court, together with a request for payment of the difference, if any, between the Maximum Payment and the Actual Payment made to the affected Professional (the “Incremental Amount”); or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court will consider and dispose of the Objection if requested by the parties.

d. Each Professional may submit the first Monthly Fee Application on or after November 20, 2010, and such Monthly Fee Application shall be for the period from the Petition Date through October 31, 2010.

e. Beginning with the period ending November 30, 2010, and at three-month intervals thereafter or such other intervals convenient to the Court (the “Interim Fee Period”), each Professional may file with the Court and serve on the Notice Parties a request, pursuant to section 331 of the Bankruptcy Code, for interim Court approval and allowance of the compensation and reimbursement of expenses sought in the Monthly Fee Applications filed during the Interim Fee Period (an “Interim Fee Application”). The Interim Fee Application, which shall be substantially in the form of Exhibit B attached to the Motion and incorporated herein as Exhibit A, must include a brief description identifying (i) the Monthly Fee Applications that are the subject of the request, (ii) the amount of fees and expenses requested, (iii) the amount of fees and expenses paid to date or subject to an Objection, (iv) the deadline for other parties and the Notice Parties to file objections (the “Additional Objections”) to the Interim Fee Application, and (v) any other information requested by the Court or required by the Local Rules. Objections, if any, to the Interim Fee Application shall be filed and served upon the affected Professional and the Notice Parties so as to be received on or before the 20<sup>th</sup> day following service of the applicable Interim Fee Application.

f. Each Professional should file and serve its Interim Fee Application within thirty (30) days of the conclusion of the Interim Fee Period for which the request seeks allowance of fees and reimbursement of expenses. The first Interim Fee Application shall cover the period from the Petition Date and through and including November 30, 2010, and may be filed on or before December 30, 2010.

g. The Debtors shall request a hearing on the pending Interim Fee Applications at least every six (6) months. The Debtors, however, may request that a

hearing be held every three (3) months or at such other intervals as the Court deems appropriate.

h. The pendency of an Objection to payment of compensation or reimbursement of expenses will not disqualify a Professional from the future payment of compensation or reimbursement of expenses, unless the Court orders otherwise. In addition, any Professional that fails to file a Monthly Fee Application or an Interim Fee Application when due or permitted will be ineligible to receive further interim payments of fees or expenses under the Compensation Procedures until such time as a Monthly Fee Application or Interim Fee Application is submitted by the Professional. There will be no other penalties for failing to file a Monthly Fee Application or an Interim Fee Application in a timely manner.

i. Neither (i) the payment of or the failure to pay in whole or in part, a Monthly Fee Application nor (ii) the filing of or failure to file an objection to a Monthly Fee Application will bind any party in interest or the Court with respect to the allowance of interim or final applications for compensation and reimbursement of expenses of the Professionals. All fees and expenses paid to the Professionals are subject to disgorgement until final allowance by the Court.

3. Each member of any official committee appointed in the Chapter 11 Cases is permitted to submit statements of expenses (excluding fees and expenses of committee member's counsel) and supporting vouchers to counsel to such committee, who shall collect and submit the committee members' requests for reimbursement in accordance with the approved procedure for monthly and interim compensation and reimbursement of Professionals.

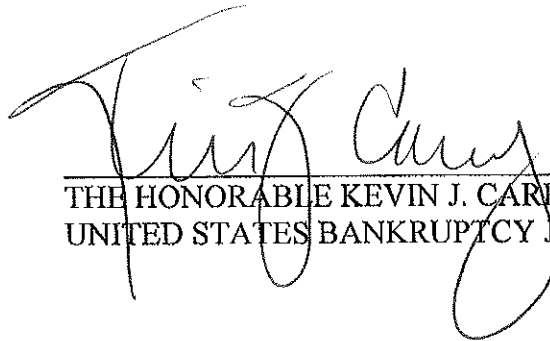
4. Only the Notice Parties shall be entitled to receive the Monthly Fee Applications, the Interim Fee Applications, and the notice of hearing thereon (the "Hearing Notice"), and all other parties who file a request for service pursuant to Bankruptcy Rule 2002 shall be entitled to receive only the Hearing Notice.

5. The Debtors shall include all payments made to Professionals on the monthly operating report, identifying the amount paid to each of the Professionals.

6. All time periods referenced in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

7. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: Oct 13, 2010  
Wilmington, Delaware

  
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THE HONORABLE KEVIN J. CAREY  
UNITED STATES BANKRUPTCY JUDGE