

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

In re	:	:	Chapter 11
	:	:	
URBAN BRANDS, INC., <i>et al.</i>	:	:	Case No. 10-13005 (KJC)
	:	:	
Debtors.	:	:	(Jointly Administered)
	:	:	
	:	:	
	:	:	Related Docket Nos.: 34, 104, 143
	:	:	Objection Deadline: October 19, 2010 at 4:00 p.m.

**LIMITED OBJECTION TO CURE AMOUNT BY
C. MICHELLE PANOVICH OF MID-AMERICA ASSET MANAGEMENT, INC.,
AS COURT APPOINTED RECEIVER FOR LINCOLN MALL**

C. Michelle Panovich of Mid-America Asset Management, Inc., as court appointed Receiver for the property commonly known as Lincoln Mall located at 208 Lincoln Mall Drive in Matteson, Illinois (identified in these proceedings as store number 137) (“Receiver”), by and through her counsel, hereby objects to the cure amount stated in the *Corrected Notice of Executory Contracts and Unexpired Leases Which May be Assumed and Assigned Pursuant to Section 365 of the Bankruptcy Code in Connection with the Sale of Substantially All of the Debtors’ Assets and the Proposed Cure Amounts with Respect Thereto* (“Notice of Intent”), and in support thereof states as follows:

I. Background Facts

1. Urban Brands, Inc., and its affiliated co-debtors (the “Debtors”), filed their voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code on September 21, 2010. The Debtors have continued to operate their business and manage their properties as debtors-in-possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.

2. The Debtors lease commercial retail space from Receiver at a location commonly known as Lincoln Mall located at 208 Lincoln Mall Drive, Space 249, in Matteson, Illinois

(“Premises”) pursuant to that certain lease dated on or about July 22, 1996, as subsequently amended, and guaranteed by one of the Debtor’s consolidated entities (collectively the “Lease”).

3. The Lease is a “lease of real property in a shopping center” as that term is used in Section 365(b)(3). See In re Joshua Slocum, Ltd., 922 F.2d 1081, 1086-1087 (3d Cir. 1990).

4. On September 22, 2010, the Debtor’s filed their *Motion Pursuant to 11 U.S.C. §§ 105(A), 363, and 365, and Bankruptcy Rules 2002, 6004, and 6006 for (I) Entry of an Order (A) Establishing Bidding and Auction Procedures Related to the Sale of Substantially All of the Debtors' Assets; (B) Approving Related Bid Protections; (C) Scheduling an Auction and Sale Hearing; (D) Establishing Certain Notice Procedures for Determining Cure Amounts For Executory Contracts and Leases to be Assigned; and (E) Granting Certain Related Relief; and (II) Entry of an Order (A) Approving the Sale of 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)* (“Motion”)¹.

5. On September 29, 2010, the Debtors served the Notice of Intent.

6. On October 4, 2010, the Court entered its *Order (A) Establishing Bidding and Auction Procedures Related to the Sale of Substantially All of the Debtor's Assets; (B) Approving Related Bid Protections; (C) Scheduling an Auction and Sale Hearing; (D) Establishing Certain Notice Procedures for Determining Cure Amounts For Executory Contracts and Leases to be Assigned; and (E) Granting*

¹ All capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Motion.

Certain Related Relief (the “Procedures Order”), providing among other things, a procedure by which to object to proposed cure amounts.

7. Receiver hereby objects to the Debtor’s proposed cure amount identified on the schedule to the Notice of Intent, in the amount of \$8,732.98.

II. Cure Amounts

8. As a condition to any assumption and assignment of the Lease, all defaults must be cured at closing. *See* 11 U.S.C. § 365(b)(1)(A).

9. The Debtors list the proposed cure amount at \$8,732.98 on the Notice of Intent.

10. Receiver objects to the stated cure amount for three (3) reasons: (a) the Debtors are currently in default in the amount of \$11,573.57 for non payment of rent and charges; (b) recoverable amounts for default of the Debtors also includes attorney’s fees and costs incurred in an amount to be determined upon assumption and assignment of the Lease which are currently estimated at \$12,471.00; and (c) Receiver reserves the right to claim any adjustments, accruals, reconciliations, and any other additional defaults that become due prior to the actual assumption and assignment of the Lease.

A. The Amount of Debtor’s Default is currently \$11,573.57

11. The actual amount of Debtor’s current default is \$11,573.57. A copy of Receiver’s current detailed ledger reflecting the amounts owed under the Lease is attached hereto as Exhibit “A” and incorporated herein by reference.

B. Attorneys’ Fees and Costs.

12. In conjunction with the obligation of the Debtors to cure defaults upon assumption of the Leases, the Debtors must compensate Receiver for any actual pecuniary loss [*See* 11 U.S.C. §365(b)(1)(B)], including attorneys’ fees and costs resulting from default. The Lease provides for recovery of attorneys’ fees and costs.

13. Receiver claims attorneys' fees and costs in an amount to be determined which are presently approximately \$12,471.00 and hereby reserves the right to supplement the amount of attorneys' fees and costs owed at the time of assumption and assignment.

C. Any assumption and assignment must cure all defaults that exist at the time of the actual assumption and assignment, not just at the time of this Cure Objection Deadline.

14. The Motion and Asset Purchase Agreement provide for a one hundred twenty (120) day deadline for the Successful Purchaser to assume and assign certain Leases and Executory Contracts.

15. The Procedures Order requires Cure Amounts to be objected to by October 19, 2010. However, any potential assumption and assignment may occur through and including one hundred twenty (120) days after the October 27, 2010 Sale Hearing. Any future defaults for failure to pay administrative expenses that arise should be included in the Cure Amount upon the actual assumption and assignment of the Lease.

16. As a condition to any assumption and assignment of the Lease, *all defaults must be cured at closing.* See 11 U.S.C. § 365(b)(1)(A).

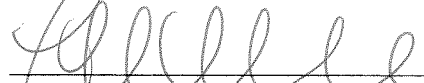
17. In effect, the Procedures Order only requires all defaults to be cured through the date of the Sale Hearing. Receiver objects to limiting Receiver's statutory right to recover all defaults up through the date of any actual assumption and assignment of the Lease and hereby reserves its right to claim and recover all defaults due and owing as of the date of any potential assumption and assignment of the Lease.

18. Therefore, any cure claim order, any sale order, and any purchase must specify that Receiver has the right to include any future defaults that occur from and after October 19, 2010 through the date of an actual assumption and assignment of the Lease.

WHEREFORE, C. Michelle Panovich, as Court Appointed Receiver for Lincoln Mall, respectfully requests that any order approving the cure amounts reflect the relief requested above by Receiver by (A) stating the Debtor's current default amount and correct cure claim is in the amount of \$11,573.37; (B) plus attorneys fees and costs in an amount to be determined upon assumption and assignment; (C) plus any future defaults and additional attorneys' fees and costs that accrue through and including the date of any actual assumption and assignment; and (D) for such other and further relief as may be just and required under all of the circumstances.

Dated: October 19, 2010

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