

***In re BCBG Max Azria Global Holdings, LLC, et al.,***  
**Case No. 17-10466 (SCC) (Bankr. S.D.N.Y.)**

**NOTICE**

On February 28, 2017 (the “Petition Date”), BCBG Max Azria Global Holdings, LLC and certain of its subsidiaries (collectively, the “Debtors”) commenced cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), which are currently pending in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). In response to questions and correspondence from vendors related to demands by vendors for reclamation of certain specified goods delivered to the Debtors before the Petition Date, please be advised that as of the Petition Date the Debtors’ capital structure consisted of outstanding secured funded-debt obligations in the aggregate principal amount of approximately \$459.7 million, consisting of an asset-based lending revolving credit facility and a term loan credit facility both of which are secured by liens (the “Prepetition Liens”) on substantially all of the assets of all Debtors. Similarly, the Debtors’ postpetition financing in the aggregate principal amount of up to \$157.5 million is also secured by liens (the “DIP Liens”) on substantially all of the assets of all Debtors.

The Prepetition Liens and the DIP Liens are superior in priority to any reclamation claim. The Bankruptcy Code expressly provides that any valid reclamation claim is “subject to the prior rights of a holder of a security interest in such goods or the proceeds thereof . . . .” 11 U.S.C. § 546(c)(1). Moreover, the Bankruptcy Court’s order approving the Debtors’ postpetition financing [Docket No. 69] provides that “the right of a seller of goods to reclaim such goods under section 546(c) of the Bankruptcy Code . . . is expressly subject to the Prepetition Liens and DIP Liens.” As a result, the Debtors believe that vendors would not succeed on the reclamation claim asserted and the Debtors do not intend to honor reclamation demands for goods delivered to the Debtors before the Petition Date.

Please be advised that vendors may ***not*** enter the Debtors’ facilities for the purpose of reclaiming those goods described in the Demand. Any such actions would constitute a violation of the automatic stay under section 362 of the Bankruptcy Code. If and vendor takes any such actions against the Debtors in violation of the automatic stay, the Debtors reserve all of their rights under the Bankruptcy Code or otherwise.

The information contained herein should not be construed as providing legal advice and was not intended or written to be used for the purpose of offering legal advice to the parties addressed herein. Individuals or parties addressed in this letter should consult with their own independent legal counsel for the purpose of obtaining legal advice.