

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

In re:

THE WET SEAL, LLC

Debtors.¹

Chapter 11

Case No. 17-10229 (CSS)

(Jointly Administered)

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODOLOGY
AND DISCLAIMERS REGARDING THE DEBTORS' SCHEDULES OF
ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

The Wet Seal, LLC ("Wet Seal") and its affiliated debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively with Wet Seal, the "Debtors") hereby submit their respective Schedules of Assets and Liabilities (collectively, the "Schedules") and Statements of Financial Affairs (collectively, the "Statements" and, together with the Schedules, the "Schedules and Statements") pursuant to section 521 of the Bankruptcy Code (as defined below) and Rule 1007 of the Federal Rules of Bankruptcy Procedure.

On February 2, 2017 (the "Petition Date"), the Debtors commenced the above-captioned chapter 11 cases by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered under case number 17-10229 (CSS). The Debtors are authorized to operate their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number are as follows: The Wet Seal, LLC (2741) The Wet Seal Gift Card, LLC (3286); Mador Financing, LLC (1377). As of April 1, 2017, the Debtors' mailing address is P.O. Box 421, 1278 Glenneyre Street, Laguna Beach, CA 92651-3103.

The Schedules and Statements were prepared by the Debtors' management and are unaudited. While those members of management responsible for the preparation of the Schedules and Statements have made a reasonable effort to ensure that the Schedules and Statements are accurate and complete based on information known to them at the time of preparation after reasonable inquiries, inadvertent errors or omissions may exist and/or the subsequent receipt of information may result in material changes in financial and other data contained in the Schedules and Statements. Accordingly, the Debtors reserve their right to amend and/or supplement their Schedules and Statements from time to time as may be necessary or appropriate; but there can be no guarantees that the Debtors will do so.

The Debtors and their agents, attorneys and financial advisors do not guarantee or warrant the accuracy or completeness of the data that is provided herein and shall not be liable for any loss or injury arising out of or caused in whole or in part by the acts, errors, or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating or delivering the information contained therein. While commercially reasonable efforts have been made to provide accurate and complete information in the Schedules and Statements, inadvertent errors or omissions may exist. The Debtors and their agents, attorneys and financial advisors expressly do not undertake any obligation to update, modify, revise, or re-categorize the information provided in the Schedules and Statements, or to notify any third party should the information be updated, modified, revised, or re-categorized. In no event shall the Debtors or their agents, attorneys and financial advisors be liable to any third party for any direct, indirect, incidental, consequential, or special damages (including, but not limited to, damages arising from the disallowance of a potential claim against the Debtors or damages to business reputation, lost business or lost profits), whether foreseeable or not and however caused, even if the Debtors or their agents, attorneys, and financial advisors are advised of the possibility of such damages. These Global Notes and Statements of Limitations, Methodology and Disclaimers Regarding the Debtors' Schedules of Assets and Liabilities and Statements of Financial Affairs (these "Global Notes") are incorporated by reference in, and comprise an integral part of, the Schedules and Statements, and should be referred to and reviewed in connection with any review of the Schedules and Statements. In the event that the Schedules and Statements differ from these Global Notes, these Global Notes shall control.

General Comments

Reservation of Rights. The Debtors reserve the right to dispute, or to assert setoff or other defenses to, any claim reflected in the Schedules and Statements as to amount, liability, and classification. The Debtors also reserve all rights with respect to the values, amounts, and characterizations of the assets and liabilities listed in the Schedules and Statements.

Basis of Presentation. The Schedules and Statements reflect the separate assets and liabilities of each individual Debtor. For financial reporting purposes, Wet Seal and its affiliated debtors and debtors in possession historically prepared consolidated financial statements. These Schedules and Statements do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), nor are they intended to reconcile to the financial statements previously distributed to lenders major creditors, or various equity holders on an intermittent basis (to the extent applicable). It should also be noted that the Debtors use a consolidated cash management system through which the Debtors pay substantially all liabilities and expenses. The Schedules and Statements have been signed by Judd Tirnauer, Executive Vice President and Chief Financial Officer of Wet Seal. In reviewing and signing the Schedules and Statements, Mr. Tirnauer necessarily relied upon the efforts, statements and representations of the Debtors' accounting and non-accounting personnel who report to, or work with, Mr. Tirnauer, either directly or indirectly. Mr. Tirnauer has not, and could not have, personally verified the accuracy of each such statement and representation, including statements and representations concerning amounts owed to creditors.

Date of Valuations. Except as otherwise noted in the Schedules and Statements, all liabilities, as well as cash, inventory and vendor debit balances, are valued as of the Petition Date. All other assets are valued as of the Debtors' January 2017 month-end close, January 28, 2017. The Schedules and Statements reflect the Debtors' best effort to allocate the assets, liabilities, receipts, and expenses to the appropriate Debtor entity "as of" such dates. All values are stated in United States currency. In certain instances, the Debtors used estimates or pro-rated amounts where actual data as of the aforementioned dates was not available. The Debtors made a reasonable effort to allocate liabilities between the pre- and post-petition periods based on the information and research that was conducted in connection with the preparation of the Schedules and Statements. As additional information becomes available and further research is conducted,

the Debtors may modify the allocation of liabilities between the pre- and post-petition periods and amend the Schedules and Statements accordingly.

The asset information provided in the Schedules and Statements, except as otherwise noted, represents the asset data of the Debtors as of January 28, 2017, and the liability information provided therein, except as otherwise noted, represents the liability data of the Debtors as of February 2, 2017, excluding operational accruals.

Book Value. Except as otherwise noted, each asset and liability of each Debtor is shown on the basis of net book value of the asset or liability in accordance with such Debtor's accounting books and records. Therefore, unless otherwise noted, the Schedules and Statements are not based upon any estimate of the current market values of the Debtors' assets and liabilities, which may not correspond to book values. It would be cost prohibitive and unduly burdensome to obtain current market valuations of the Debtors' property interests. Except as otherwise noted, the Debtors' assets are presented, in detail, as they appear on the Debtors' accounting sub-ledgers. As such, the detail may include error corrections and value adjustments (shown as negative values or multiple line items for an individual asset). The Debtors believe that certain of their assets, including intangible assets, may have been significantly impaired by, among other things, the events leading to, and the commencement of, the Debtors' chapter 11 cases. The Debtors have not yet formally evaluated the appropriateness of the carrying values ascribed to their assets prior to the Petition Date.

Re-characterization. Notwithstanding the Debtors' reasonable efforts to properly characterize, classify, categorize or designate certain Claims, assets, executory contracts, unexpired leases and other items reported in the Schedules and Statements, the Debtors may, nevertheless, have improperly characterized, classified, categorized, designated, or omitted certain items due to the complexity and size of the Debtors' businesses. Accordingly, the Debtors reserve all of their rights to re-characterize, reclassify, re-categorize, re-designate, add or delete items reported in the Schedules and Statements at a later time as is necessary or appropriate as additional information becomes available, including, without limitation, whether contracts or leases listed herein were deemed executory or unexpired as of the Petition Date and remain executory and unexpired postpetition.

Property and Equipment. Owned property and equipment are recorded at cost and are shown net of depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, which range from three to four years for furniture, fixtures, equipment, and software.

Causes of Action. The Debtors have made their best efforts to set forth known causes of action against third parties as assets in their Schedules and Statements. The Debtors reserve all of their rights with respect to causes of action they may have, whether disclosed or not disclosed, and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any such causes of action.

Materialman's/Mechanic's Liens. The assets listed in the Schedules and Statements are presented without consideration of any materialman's or mechanic's liens.

Litigation. Certain litigation actions (collectively, the "Litigation Actions") reflected as claims against a particular Debtor may relate to any of the other Debtors. The Debtors made reasonable efforts to accurately record the Litigation Actions in the Schedules and Statements of the Debtor that is the party to the Litigation Action. The inclusion of any Litigation Action in the Schedules and Statements does not constitute an admission by the Debtors of liability, the validity of any Litigation Action or the amount of any potential claim that may result from any claims with respect to any Litigation Action, or the amount and treatment of any potential claim resulting from any Litigation Action currently pending or that may arise in the future.

Application of Vendor Credits. In the ordinary course of their businesses, the Debtors apply credits against amounts otherwise due to vendors. These credits arise because, among other matters, (i) materials ordered and paid for may not be delivered, (ii) materials delivered may be damaged or unusable and, (iii) vendor provided volume rebates and cash discounts. Certain of these credits are subject to change. Vendor claims are listed at the amounts entered on the Debtors' books and records, which may or may not all reflect credits or allowances due from such creditors to the Debtors. The Debtors reserve all of their rights with respect to such credits and allowances.

Claims. Wet Seal's Schedule lists creditors and sets forth the Debtors' estimate of the claims of creditors as of the Petition Date. The claim amounts reflected on the Schedules may include the

Debtors' estimates for vendor charges not yet invoiced. By estimating certain invoices, the Debtors are not representing that they have sought to identify and estimate all un-invoiced vendor charges.

The Debtors intentionally have not included "non-cash" accruals, i.e. accruals to recognize expense or liability over multiple periods where no specific obligation to perform is established, such as accruals to equalize lease payments, in the Schedules and Statements.

The Bankruptcy Court has authorized the Debtors, among other matters, to (i) pay certain prepetition wages, salaries, employee benefits and other related obligations, (ii) pay certain prepetition sales, use and other taxes, (iii) pay certain prepetition shipping charges, and (iv) pay certain lienholders. While the Debtors have made their best efforts to reflect the claims, by vendor, net of these various adjustments as well as "vendor credits" discussed above, the actual unpaid claims of creditors that may be allowed in these cases may differ from the amounts set forth in the Schedules and Statements. Moreover, the Debtors have not attempted to reflect any alleged recoupments in the claims of utility companies or other parties holding prepetition deposits that may assert (or have asserted) a recoupment right.

Certain claims held by certain vendors against the Debtors were satisfied by third parties. In some instances, the Debtors have attempted to adjust the amounts of such claims based on information received from the third party that paid on behalf of the Debtors. If the information received from the third party is incorrect, the resulting claim amounts may also be incorrect.

Any failure to designate a claim listed on a Debtor's Schedule as "disputed," "contingent," "or" "unliquidated" does not constitute an admission by the Debtors that the claim is not "disputed," "contingent," or "unliquidated." The Debtors reserve the right to (i) object to or otherwise dispute or assert setoff rights, cross-claims, counterclaims or defenses to, any claim reflected on the Schedules as to amount, liability or classification or (ii) otherwise to designate subsequently any claim as "disputed," "contingent" or "unliquidated."

The claims listed on the Schedules do not reflect any analysis of claims under section 503(b)(9) of the Bankruptcy Code. Accordingly, the Debtors reserve all of their rights to dispute or challenge the validity of any asserted claims under section 503(b)(9) of the Bankruptcy Code or

the characterization of the structure of any such transaction or any document or instrument related to any creditor's claim.

The Debtors have excluded potential rejection damage claims of counterparties to executory contracts and unexpired nonresidential real property leases that may or may not be rejected, to the extent such damage claims exist.

Employee Claims. The Bankruptcy Court entered a final order granting authority to, but not requiring, the Debtors to pay prepetition employee wages, salaries, benefits and other related obligations. With the exception of any prepetition severance, deferred compensation, and certain unused vacation obligations, as applicable, the Debtors currently expect that most prepetition employee claims for wages, salaries, benefits and other related obligations either have been paid or will be paid in the ordinary course of business and, therefore, the Schedules and Statements do not include such claims. Post-petition, the Debtors notified all employees that all employee benefit plans were being terminated, and affected employees received instructions in conjunction therewith.

Addresses of Employees. The Debtors have attempted to list each of their current employees' addresses as the Debtors' previous corporate address² where reasonably possible to protect the privacy of the Debtors' employees. The Debtors have served and will continue to serve all necessary notices, including notice of the claims bar date (as applicable), to the actual address of each of the Debtors' employees.

Reporting Policies. The description of an amount as "unknown," "TBD" or "undetermined" is not intended to reflect upon the materiality of such amount. All totals that are included in the Schedules and Statements represent totals of all known amounts. To the extent that there are unknown or undetermined amounts, the actual total may be different than the listed total.

Currency. Unless otherwise indicated, all amounts are reflected in U.S. Dollars.

² The Debtors surrendered their corporate headquarters to the applicable landlord and sought to reject the underlying lease, effective as of March 31, 2017.

Schedules of Assets and Liabilities

Schedule A/B – Real and Personal Property

Item 1a. The Debtors do not own any real property. In response to this question, the Debtors have listed all leasehold interests for nonresidential real property leases as of the Petition Date which, in part, reflects leases for which the Debtors had surrendered underlying premises prior to the commencement of these chapter 11 cases. The Debtors' leasehold improvements are listed in response to Item 40.

Item 7. The Bankruptcy Court authorized the establishment of an adequate assurance account for payment of postpetition utility services, if needed. Such deposit is not listed in response to Item 7, which is prepared as of the Petition Date.

Item 11 – Accounts Receivable. The amount disclosed includes “Other Receivables” and excludes credit card receivables as of the Petition Date. “Other Receivables” consist of medical stop loss reimbursements (less than 90 days old) and a related party expense deposit receivable (greater than 90 days old).

Item 15 – Non-Publicly Traded Stock and Interests in Incorporated and Unincorporated Businesses. Debtor Mador Financing, LLC's ownership interests in its affiliated Debtors are reflected in Mador Financing, LLC's Schedule. The Debtors have not performed a valuation regarding such ownership interests.

Item 21 - Finished Goods, Including Goods Held for Resale. Inventory is shown as of the Petition Date and is shown net of reductions for shrink, lower of cost or market, and inventory write-off reserves. Goods are presented in Wet Seal's main style categories, valued at net book value, and listed in Wet Seal's Schedule.

Item 22 - Other Inventory or Supplies. Supplies at retail locations and distribution centers include items such as signage and shelving which are recorded on the Debtors' books and records at net book value, and listed in Wet Seal's Schedule.

Item 40 - Office Fixtures. The Debtors' owned leasehold improvements are included within Office Fixtures on Wet Seal's Schedule, and are designated as “LI” in applicable descriptions.

Item 41 – Office Equipment. The Office Equipment listed on Wet Seal’s Schedule primarily consists of computers, tablets and IT-related equipment.

Item 47 – Automobiles, Vans, Trucks, Motorcycles, Trailers and Titled Farm Vehicles. As of the Petition Date, Wet Seal owned a 2001 Chevrolet Suburban which, prior to the termination of the Debtors’ operations, was utilized for various non-merchandise delivery purposes.

Item 54 – Owned or Leased Real Property. Item 54 lists the Debtors’ leasehold interests, as of the Petition Date, by store number, including those leases for which stores were unequivocally surrendered to landlords prior to the Petition Date. As of the filing hereof, all retail locations have been surrendered to applicable landlords, and underlying leases rejected by Bankruptcy Court order.

Items 74 and 75 – Causes of action and other claims. The Debtors attempted to list known causes of action and other claims. Potential preference actions and/or fraudulent transfer actions were not listed because the Debtors have not completed an analysis of such potential claims. The Debtors’ failure to list any cause of action, claim, or right of any nature is not an admission that such cause of action, claim, or right does not exist, and should not be construed as a waiver of such cause of action, claim, or right.

Schedule D – Creditors Holding Claims Secured by Property

Except as otherwise ordered by the Bankruptcy Court, the Debtors reserve their rights to dispute or challenge the validity, perfection or immunity from avoidance of any lien purported to be granted or perfected in any specific asset for the benefit of a secured creditor listed on a Debtor's Schedule D. Moreover, although the Debtors may have scheduled claims of various creditors as secured claims, the Debtors reserve all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument (including without limitation, any intercompany agreement) related to such creditor's claim.

The claims listed on Schedule D arose or were incurred on various dates; a determination of the date upon which each Claim arose or was incurred would be unduly burdensome and cost

prohibitive. Accordingly, not all such dates are included. All claims listed on Schedule D, however, were incurred before the Petition Date.

The descriptions provided in Schedule D are intended only to be a summary. Reference to the applicable loan agreements and related documents is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in these Global Notes or the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements.

Except as specifically stated herein, real property lessors, utility companies and other parties which may hold security deposits have not been listed on Schedule D. The Debtors have not included parties that may believe their Claims are secured through setoff rights or inchoate statutory lien rights.

Schedule E/F – Creditors Holding Unsecured Claims

Certain claims held by state and local taxing authorities set forth in Schedule E ultimately may be deemed to be secured claims pursuant to state or local laws. Certain of the claims owing to various taxing authorities to which the Debtors may be liable may be subject to ongoing audits. The Debtors reserve their right to dispute or challenge whether claims owing to various taxing authorities are entitled to priority and the listing of any claim on Schedule E/F Part 1 does not constitute an admission that such claim is entitled to priority treatment pursuant to section 507 of the Bankruptcy Code.

In certain instances, a Debtor may be a guarantor with respect to scheduled claims of other Debtors. No claim set forth on the Schedule E/F of any Debtor is intended to acknowledge claims of creditors that are may be otherwise satisfied or discharged.

Schedule E/F does not include certain deferred charges, deferred liabilities, accruals, or general reserves. Such amounts are, however, reflected on the Debtors' books and records as required in accordance with GAAP. Such accruals are general estimates of liabilities and do not represent specific Claims as of the Petition Date.

Landlords identified on Schedule F are listed in numerical order by store number. Claim amounts reflect the Debtors' calculation of base rent owed as of the Petition Date to applicable

landlords inclusive of, among other things, CAM, real estate taxes, and trash removal. Landlord claims exclude percentage rent calculations.

Schedule F claims are bifurcated by landlord claims (listed by numerical store number) and, subsequent thereto, vendor or other third party claims.

The Debtors used reasonable efforts to assign address information to potential claimants identified in Schedule F who are party to litigation with the Debtors. However, where unknown, this address information has not been provided. The Debtors will continue to use reasonable efforts to locate contact information for these parties. Some of the litigation claims listed on Schedule F may be subject to subordination pursuant to section 510 of the Bankruptcy Code.

Item 4 – Others to Be Notified. The Debtors have listed their known creditors in Schedule E/F. To the extent attorneys have entered appearances on behalf of such creditors, those appearances are noted on the docket of the Debtors' chapter 11 cases and are not separately listed in Item 4.

Schedule G – Executory Contracts and Unexpired Leases

The businesses of the Debtors are complex and, while every effort has been made to ensure the accuracy of Schedule G, inadvertent errors or omissions may have occurred. The Debtors hereby reserve all of their rights to (i) dispute the validity, status or enforceability of any contracts, agreements or leases set forth in Schedule G and (ii) amend or supplement such Schedule as necessary. Furthermore, the Debtors reserve all of their rights, claims and causes of action with respect to the contracts and agreements listed on the Schedules, including the right to dispute or challenge the characterization or the structure of any transaction, document or instrument. The presence of a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or an unexpired lease.

The contracts, agreements and leases listed on Schedule G may have expired or may have been modified, amended or supplemented from time to time by various amendments, restatements, waivers, estoppel certificates, letter and other documents, instruments and agreements that may not be listed therein. Certain of the real property leases listed on Schedule G may contain renewal options, guarantees of payments, options to purchase, rights of first refusal, rights to lease additional space and other miscellaneous rights. Such rights, powers, duties and

obligations are not set forth on Schedule G. Additionally, the Debtors may be parties to various other agreements concerning real property, such as easements, rights of way, subordination, non-disturbance, supplemental agreements, amendments/letter agreements, title documents, consents, site plans, maps and other miscellaneous agreements. Such agreements, if any, are not set forth in Schedule G. Certain of the agreements listed on Schedule G may be in the nature of conditional sales agreements or secured financings.

The Debtors have used reasonable efforts to assign a “title” to the contracts listed on Schedule G. However, in many instances, the purpose of the contract, identified immediately below the “title” field, provides the most accurate description for the subject agreement. The contracts listed on Schedule G are presented in alphabetical order, by contract counterparty name.

The Debtors have not identified the term date for each leasehold interest. Given that each lease has been effectively rejected by Bankruptcy Court order, and the limited resources at the Debtors’ disposal when preparing the Schedules and Statements, the Debtors determined that completing this field would not be cost efficient or useful to parties reviewing the Schedules and Statements.

Purchase orders outstanding as of the Petition Date are not listed in Schedule G.

Schedule H – Co-Debtors

For purposes of Schedule H, the Debtors that are either the principal obligors or guarantors under the prepetition debt facilities are listed as Co-Debtors on Schedule H. The Debtors may not have identified certain guarantees associated with the Debtors’ executory contracts, unexpired leases, secured financings, debt instruments and other such agreements. The Debtors reserve all of their rights to amend the Schedules to the extent that additional guarantees are identified or such guarantees are discovered to have expired or be unenforceable.

In the ordinary course of their businesses, the Debtors may be involved in pending or threatened litigation. These matters may involve multiple plaintiffs and defendants, some or all of whom may assert cross-Claims and counter-Claims against other parties. Because all such Claims are contingent, disputed, or unliquidated, such Claims have not been set forth individually on Schedule H.

Statements of Financial Affairs

Question 1 - Gross revenue from business. As is customary in the retail industry, sales are reflected net of returns and allowances, discounts, and shipping and handling.

Question 3 – Payments to Creditors Within 90 Days of Petition Date. The Debtors have listed all payments made to creditors in the 90 days prior to the Petition Date on an individual payment basis, and have not aggregated payments by unique creditor. The data is presented in numerical order by store number with respect to lease-related payments and, subsequent thereto, in alphabetical order by vendor name for all other payments.

Question 3 includes any disbursement or other transfer made by the Debtors within 90 days before the Petition Date except for those made to insiders (which payments appear in response to Statement question 4), employees, and bankruptcy professionals (which payments appear in response to Question 9 and include any retainers paid to bankruptcy professionals). The amounts listed in Question 3 reflect the Debtors' disbursements netted against any check level detail. All disbursements listed in response to Question 3 were made through the Debtors' cash management system.

Question 4 – Payments or other transfers of property made within 1 year before filing that benefitted any insider. Solely for purposes of these Schedules and Statements, the Debtors define "insiders" to include the following: (a) managing members; (b) senior level officers; (c) significant equity holders, and/or their affiliates; (d) Debtor affiliates; and (e) relatives of any of the foregoing (to the extent known by the Debtors). Entities listed as "insiders" have been included for informational purposes and their inclusion shall not constitute an admission that those entities are insiders for purposes of section 101(31) of the Bankruptcy Code.

The Debtors have listed the corporate headquarters' address, in effect as of the Petition Date, for each of the Debtors' officers.

The listing of a party as an Insider in the Schedules and Statements, however, is not intended to be, nor shall be, construed as a legal characterization or determination of such party as an actual insider and does not act as an admission of any fact, claim, right or defense, and all such rights, claims, and defenses are hereby expressly reserved.

Question 7 - Legal Actions, Administrative Proceedings, Court Actions, Executions, Attachments, or Governmental Audits. The Debtors have identified “Case Title”, in some instances, by the applicable plaintiff’s name. As of mid-February 2017, the Debtors no longer had an operating legal department and, accordingly, used reasonable efforts to identify all pending litigation and assign appropriate descriptions thereto. In the event that the Debtors discover additional information pertaining to these legal actions identified in response to Question 7, the Debtors will use reasonable efforts to supplement the Statements in light thereof.

Question 10 - Losses. The Debtors occasionally incurred losses for a variety of reasons, including theft and property damage. The Debtors, however, may not have records of all such losses if such losses do not have a material impact on the Debtors’ business or are not reported for insurance purposes. Accordingly, in this context, the Debtors have left the response to Question 10 blank.

Question 14 - Previous Addresses. Due to the voluminous nature of the Debtors’ store base and the undue burden involved in identifying and documenting all changes to store addresses over the last three years, the Debtors have not included store or distribution center addresses in Wet Seal’s Statement.

Question 26 - Books, Records and Financial Statements.

Question 26b: KPMG LLP provided audit services to the Debtors through the fiscal year 2015 audit. KPMG LLP had begun preliminary audit procedures on the fiscal 2016 year, but services were terminated due to the Debtors’ chapter 11 filing. For fiscal year 2014, an audit was not conducted due to the Debtors’ predecessor’s chapter 11 filing.

Question 26d: From time to time, the Debtors provided financial statements in the ordinary course of business to certain parties for business, statutory, credit, financing and other reasons. Recipients have included regulatory agencies, financial institutions, investment banks, vendors, debtholders and their legal and financial advisors. Due to the confidentiality requirements of the non-disclosure agreements, such parties are not listed in response to this question.

Question 27 - Have any inventories of the debtor's property been taken within 2 years before filing this case? The Debtors' conduct two physical inventories per year: one in June and one in January.

Question 30 – Payments, Distributions, or Withdrawals Credited or Given to Insiders. The Debtors have included a comprehensive response to Question 30 in Wet Seal's Statement Question 4.

END OF GLOBAL NOTES

SCHEDULES AND STATEMENTS BEGIN ON THE FOLLOWING PAGE

Fill in this information to identify the case:**Debtor name:** Mador Financing, LLC**United States Bankruptcy Court for the:** District of Delaware**Case number (if known):** 17-10231☐ Check if this is an amended filingOfficial Form 207**Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy** 04/16

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

Part 1: Income**1. Gross revenue from business**☒ None

Identify the beginning and ending dates of the debtor's fiscal year, which may be a calendar year

Sources of revenue
(Check all that apply)Gross revenue
(before deductions and exclusions)**2. Non-business revenue**

Include revenue regardless of whether that revenue is taxable. *Non-business income* may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

☒ None

Description of sources of revenue

Gross revenue from each source
(before deductions and exclusions)

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 2: List Certain Transfers Made Before Filing for Bankruptcy****3. Certain payments or transfers to creditors within 90 days before filing this case**

List payments or transfers—including expense reimbursements—to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than \$6,425. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

☒ None

Creditor's name and address	Dates	Total amount or value	Reasons for payment or transfer <i>Check all that apply</i>
3.1. _____ _____ _____	_____	\$ _____	<input type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Services <input type="checkbox"/> Other _____

4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,425.00. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. *Insiders* include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

☒ None

Insider's name and address	Dates	Total amount or value	Reasons for payment or transfer
4.1. _____ _____ _____	_____	\$ _____	_____
Relationship to debtor _____			

5. Repossessions, foreclosures, and returns

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

☒ None

Creditor's name and address	Description of the property	Date	Value of property
5.1. _____ _____ _____	_____	_____	\$ _____

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****6. Setoffs**

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

☒ None

Creditor's name and address	Description of the action creditor took	Date action was taken	Amount
6.1. _____ _____ _____ _____	_____ _____ Last 4 digits of account number: XXXX-_____	_____ _____	\$ _____

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 3: Legal Actions or Assignments****7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits**

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity—within 1 year before filing this case.

☒ None

Case title	Nature of case	Court or agency's name and address	Status of case
7.1. _____	_____	_____	<input type="checkbox"/> Pending
Case number	_____	_____	<input type="checkbox"/> On appeal
_____	_____	_____	<input type="checkbox"/> Concluded

8. Assignments and receivership

List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

☒ None

Custodian's name and address	Description of the property	Value
8.1. _____	_____	\$ _____
_____	Case title	Court name and address
_____	_____	_____
_____	Case number	_____
_____	_____	_____
_____	Date of order or assignment	_____
_____	_____	_____

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 4: Certain Gifts and Charitable Contributions**

9. List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000.

☒ None

Recipient's name and address	Description of the gifts or contributions	Dates given	Value
9.1. _____	_____	_____	\$ _____

Recipient's relationship to debtor			

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 5: Certain Losses****10. All losses from fire, theft, or other casualty within 1 year before filing this case.**☒ None

Description of the property lost and how the loss occurred	Amount of payments received for the loss If you have received payments to cover the loss, for example, from insurance, government compensation, or tort liability, list the total received. List unpaid claims on Official Form 106A/B (Schedule A/B: Assets – Real and Personal Property).	Date of loss	Value of property lost
10.1. _____	\$ _____	_____	\$ _____

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 6: Certain Payments or Transfers****11. Payments related to bankruptcy**

List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

☒ None

Who was paid or who received the transfer?	If not money, describe any property transferred	Dates	Total amount or value
11.1. _____	_____	_____	\$ _____
Address			

Email or website address			

Who made the payment, if not debtor?			

12. Self-settled trusts of which the debtor is a beneficiary

List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device.
Do not include transfers already listed on this statement.

☒ None

Name of trust or device	Describe any property transferred	Dates transfers were made	Total amount or value
12.1. _____	_____	_____	\$ _____
Trustee			

13. Transfers not already listed on this statement

List any transfers of money or other property—by sale, trade, or any other means—made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs. Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

☒ None

Debtor **Mador Financing, LLC**Case number (if known) **17-10231**

Who received transfer?	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
13.1. _____	_____	_____	\$ _____
Address			

Relationship to debtor			

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 7: Previous Locations****14. Previous addresses**

List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.

☐ Does not apply

Address		Dates of occupancy
14.1.	26972 BURBANK FOOTHILL RANCH CA 92672	From 06/1987 To 2/20/2016

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 8: Healthcare Bankruptcies****15. Healthcare bankruptcies**

Is the debtor primarily engaged in offering services and facilities for:

- diagnosing or treating injury, deformity, or disease, or
- providing any surgical, psychiatric, drug treatment, or obstetric care?

☒ No. Go to Part 9.☐ Yes. Fill in the information below.

Facility name and address	Nature of the business operation, including type of services the debtor provides	If debtor provides meals and housing, number of patients in debtor's care
15.1. _____ _____ _____ _____	Location where patient records are maintained (if different from facility address). If electronic, identify any service provider _____ _____ _____ _____	How are records kept? Check all that apply: <input type="checkbox"/> Electronically <input type="checkbox"/> Paper

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 9: Personally Identifiable Information****16. Does the debtor collect and retain personally identifiable information of customers?**☒ No☐ Yes. State the nature of the information collected and retained. _____

Does the debtor have a privacy policy about that information?

☐ No☐ Yes**17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b) or other pension or profit-sharing plan made available by the debtor as an employee benefit?**☒ No. Go to Part 10.☐ Yes. Does the debtor serve as plan administrator?☐ No. Go to Part 10☐ Yes. Fill in below:**Name of plan****Employer identification number of the plan**

EIN: ____-____-____

Has the plan been terminated?

☐ No☐ Yes

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units****18. Closed financial accounts**

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts; certificates of deposit; and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

☒ None

	Financial institution name and address	Last 4 digits of account number	Type of account	Date account was closed, sold, moved, or transferred	Last balance before closing or transfer
18.1.	_____	XXX-_____	<input type="checkbox"/> Checking	_____	\$_____
	_____		<input type="checkbox"/> Savings		
	_____		<input type="checkbox"/> Money market		
	_____		<input type="checkbox"/> Brokerage		
			<input type="checkbox"/> Other _____		

19. Safe deposit boxes

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

☒ None

	Depository institution name and address	Name and address of anyone with access to it	Description of the contents	Does debtor still have it?
19.1.	_____	_____	_____	<input type="checkbox"/> No
	_____	_____		<input type="checkbox"/> Yes
	_____	_____		

20. Off-premises storage

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.

☒ None

	Depository institution name and address	Name and address of anyone with access to it	Description of the contents	Does debtor still have it?
20.1.	_____	_____	_____	<input type="checkbox"/> No
	_____	_____		<input type="checkbox"/> Yes
	_____	_____		

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own****21. Property held for another**

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

☒ None

	Owner's name and address	Location of the property	Description of the property	Value
21.1.	_____	_____	_____	\$ _____

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 12: Details About Environmental Information**

For the purpose of Part 12, the following definitions apply:

- *Environmental law* means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).
- *Site* means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.
- *Hazardous material* means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

Report all notices, releases, and proceedings known, regardless of when they occurred.**22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law?** Include settlements and orders.☒ No☐ Yes. Provide details below.

Case title	Court or agency name and address	Nature of the case	Status of case
22.1. _____	_____	_____	<input type="checkbox"/> Pending
Case number	_____		<input type="checkbox"/> On appeal
_____	_____		<input type="checkbox"/> Concluded

23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?☒ No☐ Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
23.1. _____	_____	_____	_____
_____	_____		
_____	_____		

24. Has the debtor notified any governmental unit of any release of hazardous material?☒ No☐ Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
24.1. _____	_____	_____	_____
_____	_____		
_____	_____		

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 13: Details About the Debtor's Business or Connections to Any Business****25. Other businesses in which the debtor has or has had an interest**

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

☐ None

	Business name and address	Describe the nature of the business	Employer Identification number Do not include Social Security number or ITIN.
25.1.	THE WET SEAL GIFT CARD, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	RETAIL	EIN: 30-0863286
			Dates business existed From MARCH 2015 To Present
	Business name and address	Describe the nature of the business	Employer Identification number Do not include Social Security number or ITIN.
25.2.	THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	RETAIL	EIN: 47-3502741
			Dates business existed From MARCH 2015 To Present

26. Books, records, and financial statements

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

☐ None

	Name and address	Dates of service
26a.1.	CALEB PATTERSON CONTROLLER C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	From 4/15/2015 To Present
	Name and address	Dates of service
26a.2.	LUIS OLIVARES ACCOUNTING MANAGER C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	From 4/15/2015 To Present

26b. List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

☐ None

	Name and address	Dates of service
26b.1.	KPMG, LLP 20 PACIFICA #700 IRVINE CA 92618	From 4/12/2016 To 2/2/2017

26c. List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

☐ None

Debtor **Mador Financing, LLC**Case number (if known) **17-10231**

	Name and address	If any books of account and records are unavailable, explain why
26c.1.	CALEB PATTERSON CONTROLLER C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	
26c.2.	LUIS OLIVARES ACCOUNTING MANAGER C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	

26d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

☐ None

Name and address

26d.1.¹

¹THE DEBTORS ROUTINELY PROVIDE FINANCIAL STATEMENTS TO BANKS, SUPPLIERS, POTENTIAL INVESTORS, AND OTHER FINANCIAL INSTITUTIONS IN THE ORDINARY COURSE AND, AS SUCH, DOES NOT TRACK EACH SUBMISSION OF ITS FINANCIAL STATEMENTS.

27. Inventories

Have any inventories of the debtor's property been taken within 2 years before filing this case?

☒ No

☐ Yes. Give the details about the two most recent inventories.

	Name of the person who supervised the taking of the inventory	Date of inventory	The dollar amount and basis (cost, market, or other basis) of each inventory
27.1.			\$
	Name and address of the person who has possession of inventory records		

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****28. List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.**

	Name and address	Position	Nature of any interest	% of interest, if any
28.1.	JUDD TIRNAUER C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	EVP AND CHIEF FINANCIAL OFFICER		
	Name and address	Position	Nature of any interest	% of interest, if any
28.2.	MADOR HOLDINGS, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	SOLE MEMBER & MANAGER	MEMBERSHIP INTERESTS	100.00%
	Name and address	Position	Nature of any interest	% of interest, if any
28.3.	MELANIE COX C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	CHIEF EXECUTIVE OFFICER		
	Name and address	Position	Nature of any interest	% of interest, if any
28.4.	MICHELLE STOCKER C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	VP LEGAL/HUMAN RESOURCES		

29. Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?☐ No☒ Yes. Identify below.

	Name and address	Position	Nature of any interest	Period during which position or interest was held
29.1.	D'AGOSTINO, ANGELO J C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	VP, MARKETING		From 10/31/2015 To 12/27/2016
	Name and address	Position	Nature of any interest	Period during which position or interest was held
29.2.	HICKEY, ANNETTE F C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	VP/DMM		From 2/1/2016 To 1/27/2017
	Name and address	Position	Nature of any interest	Period during which position or interest was held
29.3.	HILLEBRANDT, THOMAS R C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	EVP/CHIEF FINANCIAL OFFICER		From 9/10/2013 To 4/15/2016

Debtor **Mador Financing, LLC**Case number (if known) **17-10231**

	Name and address	Position	Nature of any interest	Period during which position or interest was held
29.4.	KANG,EUGENE C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	VP, E-COMMERCE	_____	From 7/13/2015 To 5/20/2016
	Name and address	Position	Nature of any interest	Period during which position or interest was held
29.5.	KIM,ROBERT S C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	VP, PLANNING/ALLOCATION	_____	From 7/27/2015 To 1/27/2017
	Name and address	Position	Nature of any interest	Period during which position or interest was held
29.6.	STANGL,KARA E C/O THE WET SEAL, LLC 7555 IRVINE CENTER DRIVE IRVINE CA 92618	VP/DMM	_____	From 7/30/2015 To 1/27/2017

30. Payments, distributions, or withdrawals credited or given to insiders

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

☒ No☐ Yes. Identify below

	Name and address of recipient	Amount of money or value of property	Description of property	Dates	Reason for providing the value
30.1.	_____ _____ _____ _____	\$ _____	_____	_____	_____
	Relationship to debtor				

31. Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?☒ No☐ Yes. Identify below

	Name of the parent corporation	Employer Identification number of the parent corporation
31.1.	_____ _____ _____ _____	EIN: ____ - ____ - ____

Debtor **Mador Financing, LLC**Case number (if known) **17-10231**

32. Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?

☒ No☐ Yes. Identify below

Name of the pension fund	Employer Identification number of the pension fund
32.1. _____	EIN: ____-____

Debtor **Mador Financing, LLC**Case number (if known) **17-10231****Part 14: Signature and Declaration**

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

4/03/2017
MM/DD/YYYY

✕ /s/ Judd Tirnauer Printed name Judd Tirnauer
Signature of individual signing on behalf of the debtor

Position or relationship to debtor Executive Vice President & CFO

Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?

☒ No

☐ Yes