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Proposed Counsel to the Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

)))
In re:))	Chapter 11)
)))
BCBG MAX AZRIA GLOBAL HOLDINGS, LLC, <i>et al.</i> , ¹))	Case No. 17-10466 (___))
)))
Debtors.))	(Joint Administration Requested))

**DEBTORS’ MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
(I) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO (A) PAY
THEIR OBLIGATIONS UNDER INSURANCE POLICIES ENTERED INTO
PREPETITION, (B) CONTINUE TO PAY BROKERAGE FEES, (C) RENEW,
SUPPLEMENT, MODIFY, OR PURCHASE INSURANCE COVERAGE, (D) HONOR
THE TERMS OF THE FINANCING AGREEMENTS AND PAY PREMIUMS
THEREUNDER, AND (E) ENTER INTO NEW FINANCING AGREEMENTS IN THE
ORDINARY COURSE OF BUSINESS AND (II) GRANTING RELATED RELIEF**

BCBG Max Azria Global Holdings, LLC and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”),² respectfully state the following in support of this motion:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: BCBG Max Azria Global Holdings, LLC (6857); BCBG Max Azria Group, LLC (5942); BCBG Max Azria Intermediate Holdings, LLC (3673); Max Rave, LLC (9200); and MLA Multibrand Holdings, LLC (3854). The location of the Debtors’ service address is: 2761 Fruitland Avenue, Vernon, California 90058.

² A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this motion and the Debtors’ chapter 11 cases, are set forth in greater detail in the *Declaration of Holly Etlin, Chief Restructuring Officer of BCBG Max Azria Global Holdings, LLC, (I) in Support of Chapter 11 Petitions and*

Relief Requested

1. The Debtors seek entry of interim and final orders, substantially in the form attached hereto as **Exhibit A** and **Exhibit B** (respectively, the “Interim Order” and “Final Order”): (a) authorizing, but not directing, the Debtors to (i) pay their obligations under insurance policies entered into prepetition, (ii) continue to pay certain brokerage fees, (iii) renew, supplement, modify, or purchase insurance coverage in the ordinary course, (iv) enter into new premium financing agreements in the ordinary course of business, and (v) honor the terms of the Financing Agreements (as defined below) and pay premiums thereunder; and (b) granting related relief. The Debtors estimate that, as of the Petition Date, there is \$130,000 outstanding on account of prepetition premiums under the non-financed Insurance Policies (as defined below) and approximately \$725,000 outstanding under the Financing Agreements. Pursuant to the Interim Order, the Debtors seek authority to, on an interim basis, pay an aggregate amount not to exceed \$550,000 in connection with the Debtors’ obligations on account of the non-financed Insurance Policies and under the Financing Agreements that may come due prior to the Final Hearing (as defined in the Interim Order). In addition, the Debtors request that the Court schedule a final hearing within approximately 25 days of the commencement of these chapter 11 cases to consider approval of this motion on a final basis.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of New York (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern*

First Day Motions and (II) Pursuant to Local Bankruptcy Rule 1007-2 (the “First Day Declaration”), filed contemporaneously with the Debtors’ voluntary petitions for relief filed under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), on February 28, 2017 (the “Petition Date”).

District of New York, dated January 31, 2012. The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a) and 363(b) of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and Rule 9013-1(a) of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”).

The Debtors’ Insurance Policies

5. In the ordinary course of business, the Debtors maintain approximately 18 insurance policies (collectively, the “Insurance Policies”) administered by multiple third-party insurance carriers (collectively, the “Insurance Carriers”). The Insurance Policies provide coverage for, among other things, the Debtors’ directors’ and officers’ liability (including tail coverage), property, aircraft, commercial crime, marine cargo, general liability, automobile liability, and foreign commercial liability. The aggregate annual premium for the Insurance Policies is approximately \$3.1 million, plus applicable taxes and surcharges. A schedule of the Insurance Policies is attached hereto as **Exhibit C**.³

6. Some, but not all, of the Insurance Policies are financed through premium financing agreements (the “Financing Agreements”) with First Insurance Funding. Pursuant to

³ In addition to the Insurance Policies listed in **Exhibit C** to this motion, the Debtors maintain insurance policies with respect to, among other things, workers’ compensation. These programs are described, and relief is requested with respect to such programs, in a separate motion, filed contemporaneously herewith. Although **Exhibit C** is intended to be comprehensive, the Debtors may have inadvertently omitted one or more Insurance Policies. By this motion, the Debtors request relief applicable to all Insurance Policies, regardless of whether such Insurance Policy is specifically identified on **Exhibit C**.

the Financing Agreements, the Debtors are required to make 10 monthly premium payments of approximately \$230,000 in the aggregate beginning on July 1, 2016. The Financing Agreements renew in May and June. As of the Petition Date, there is approximately \$725,000 outstanding on account of the Financing Agreements, some or all of which will come due during the pendency of these chapter 11 cases.

7. With respect to the general and auto liability Insurance Policies, which are not covered by the Financing Agreements, the Debtors made a 25 percent down payment in August 2016 and monthly installment payments thereafter, due on the first of each month from September 2016 through May 2017. With respect to the aircraft Insurance Policy, which is not covered by the Financing Agreements, the Debtors are making quarterly installment payments, due between January and September 2017. The Insurance Policies renew throughout the year, predominantly in August. The Debtors estimate that, as of the Petition Date, there is approximately \$130,000 outstanding on account of the non-financed Insurance Policies, some or all of which will come due during the pendency of these chapter 11 cases.

8. The Debtors seek authority to pay an aggregate amount not to exceed \$855,000 on a final basis on account of the Financing Agreements and non-financed Insurance Policies and to continue honoring any amounts on account of the Insurance Policies or the Financing Agreements in the ordinary course of business to ensure uninterrupted coverage under the Insurance Policies. Pursuant to the Interim Order, the Debtors seek authority to pay on an interim basis an aggregate amount not to exceed \$550,000 in connection with the Debtors' obligations under the Financing Agreements and non-financed Insurance Policies that may become due prior to the Final Hearing.

9. Certain of the non-financed Insurance Policies, are subject to regular audits (the “Insurance Policy Audits”), which may result in an adjustment of the premiums owed on account thereof. Certain Insurance Policy Audits for prepetition premium payments will not conclude until after the Petition Date. As a result, the aggregate amount of the Debtors’ obligations arising from the Insurance Policy Audits is not known at this time. Accordingly, the Debtors seek the authority, but not the direction, to honor any amounts owed on account of any Insurance Policy Audits in the ordinary course of business.

10. Continuation of the Insurance Policies and the Financing Agreement and entry into new insurance policies and premium financing agreements is essential to the preservation of the value of the Debtors’ properties and assets. Moreover, in many cases, coverage provided by the Insurance Policies is required by the regulations, laws, and contracts governing the Debtors’ commercial activities, including the requirement of the Office of the United States Trustee for the Southern District of New York (the “U.S. Trustee”) that a debtor maintain adequate coverage given the circumstances of its chapter 11 case. Accordingly, the Debtors request authority to maintain their existing Insurance Policies and Financing Agreement, pay prepetition obligations related thereto, and enter into new insurance policies and premium financing agreements, as applicable, in the ordinary course of business.

Brokerage Fees

11. In connection with the Insurance Policies, the Debtors obtain insurance brokerage services from Lockton Companies, Inc. for all insurance coverage other than the aircraft Insurance Policy, which services are obtained from Andreini & Company Inc. (collectively, the “Brokers”). The Brokers assist the Debtors in obtaining comprehensive insurance coverage for their operations in the most cost-effective manner, negotiating policy terms, provisions, and premiums, assisting the Debtors with claims, and providing ongoing support throughout the

applicable policy periods. The Debtors pay the Brokers' aggregate annual fees in an amount equal to approximately \$300,000 and aggregate annual commissions in an amount equal to approximately \$60,000. The flat annual fee is due and payable prior to the start of the applicable service period, which generally corresponds with the start of the Insurance Policies' terms. The Brokers collect the commission payments as part of the premiums paid on the Insurance Policies. As of the Petition Date, the Debtors not believe that they owe any amounts to the Brokers on account of fees, commissions, or any other prepetition obligations. Out of an abundance of caution, however, the Debtors seek authority to honor any amounts owed to the Brokers to ensure uninterrupted coverage under their Insurance Policies.

12. The Debtors believe that continuation of the Brokers' services are necessary to assure the Debtors' ability to secure Insurance Policies on advantageous terms at competitive rates, facilitate the proper maintenance of the Debtors' Insurance Policies postpetition, and ensure adequate protection of the Debtors' property postpetition. Accordingly, the Debtors request authority to continue paying amounts owing to the Brokers in a manner consistent with past practices.

Basis for Relief

I. The Bankruptcy Code and U.S. Trustee Guidelines Require the Debtors To Maintain Insurance Coverage and Satisfy Their Insurance Obligations.

13. As discussed above, the Debtors' existing Insurance Policies provide a comprehensive range of protection for the Debtors' businesses, properties, and assets. As such, it is essential that the Debtors' insurance coverage continues in full force and effect during the course of these chapter 11 cases. Under Section 1112(b)(4)(C) of the Bankruptcy Code, "failure [of a debtor] to maintain appropriate insurance [where such failure] poses a risk to the estate or to the public" is "cause" for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C.

§ 1112(b)(4)(C). Similarly, certain of the Insurance Policies are required by various state and federal regulations. In addition, the U.S. Trustee Guidelines require that a debtor “shall maintain” certain types of insurance coverage following the Petition Date. *See* U.S. Trustee Guidelines, § 6. To ensure that the Debtors comply with Section 1112(b)(4)(C) of the Bankruptcy Code, applicable state and federal regulations, and the U.S. Trustee Guidelines, the Debtors respectfully request the authority to: (i) pay the prepetition amounts currently due and owing under the Insurance Policies in the ordinary course of business, including those prepetition amounts due in connection with Premiums, Deductible Fees, and Brokerage Fees; (ii) continue to honor obligations arising under the Insurance Policies and, if necessary; (iii) to renew, supplement, or purchase insurance coverage on a postpetition basis in the ordinary course of business.

II. Renewing, Supplementing, Entering into New Policies, and Paying Obligations Under the Insurance Policies in the Ordinary Course of Business are Each Warranted.

14. The Court may authorize the Debtors to maintain the Insurance Policies and even renew or enter into new policies on a postpetition basis, pursuant to the aforesaid sections of the Bankruptcy Code, because the relief requested is consistent with the value preservation policy of chapter 11. Courts in this district generally acknowledge that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate. *See In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (authority to pay prepetition wages); *Armstrong World Indus., Inc. v. James A. Phillips, Inc. (In re James A. Phillips, Inc.)*, 29 B.R. 391, 398 (S.D.N.Y. 1983) (authority to pay prepetition claims of suppliers); *see also In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002). In so doing, these courts acknowledge that several legal theories rooted in sections 105(a) and 363(b) of the Bankruptcy Code support the payment of prepetition claims as requested herein.

15. Pursuant to section 363(b) of the Bankruptcy Code, courts may authorize payment of prepetition obligations where a sound business purpose exists for doing so. *See Ionosphere Clubs*, 98 B.R. at 175 (noting that section 363(b) provides “broad flexibility” to authorize a debtor to honor prepetition claims where supported by an appropriate business justification); *see also James A. Phillips, Inc.*, 29 B.R. at 397 (relying upon section 363 as a basis to allow a contractor to pay the prepetition claims of suppliers who were potential lien claimants). Indeed, courts have recognized that there are instances when a debtor’s fiduciary duty can “only be fulfilled by the preplan satisfaction of a prepetition claim.” *CoServ*, 273 B.R. at 497.

16. In addition, courts may authorize payment of prepetition claims in appropriate circumstances based on section 105(a) of the Bankruptcy Code. Section 105(a) codifies the Court’s inherent equitable powers to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” Under section 105(a), courts may authorize pre-plan payments of prepetition obligations when essential to the continued operation of a debtor’s businesses. *See In re C.A.F. Bindery, Inc.*, 199 B.R. 828, 835 (Bankr. S.D.N.Y. 1996); *see also In re Fin. New Network Inc.*, 134 B.R. 732, 735–36 (Bankr. S.D.N.Y. 1991) (holding that the “doctrine of necessity” stands for the principle that a bankruptcy court may allow pre-plan payments of prepetition obligations where such payments are critical to the debtor’s organization”). Specifically, the Court may use its power under section 105(a) of the Bankruptcy Code to authorize payment of prepetition obligations pursuant to the “necessity of payment” rule (also referred to as the “doctrine of necessity”). *Ionosphere Clubs*, 98 B.R. at 176.

17. The Debtors submit that there is sufficient business justification to grant the relief requested herein because failure to pay Premiums and related insurance expenses when due may harm the Debtors’ estates in a number of ways. Specifically, the Insurance Carriers may refuse

to renew the Debtors' Insurance Policies, which will require the Debtors to obtain replacement policies and possibly reconfigure their risk management program. That scenario would require the commitment of significant resources and could result in less favorable coverage or terms from the Debtors' insurers. Additionally, the Insurance Carriers could attempt to terminate the Debtors' existing policies, which could threaten the Debtors' ability to continue operating their businesses given the Debtors' myriad regulatory and contractual obligations to maintain specific amounts and types of insurance coverage.

18. The Debtors submit that it is also in the best interests of their estates to have the ability to revise, extend, supplement, or change insurance coverage, as necessary, on a postpetition basis. Indeed, the Debtors' Insurance Policies are essential to the preservation of the value of the Debtors' businesses, properties, and assets and their ability to successfully prosecute these chapter 11 cases. Accordingly, in the event any of the Insurance Policies lapse or new coverage is required or necessary, it is imperative that the Debtors be able to renew, supplement, or purchase insurance coverage on a postpetition basis in the ordinary course of business. The Insurance Policies protect the Debtors and other parties in interest from losses caused by casualty, natural disaster, fraud, or other unforeseen events. Courts in this district have routinely granted relief similar to that requested herein. *See, e.g., In re Int'l Shipholding Corp.*, No. 16-12220 (SMB) (Bankr. S.D.N.Y. Aug. 23, 2016) (authorizing debtors to pay prepetition premiums and enter into new insurance policies pursuant to sections 105(a) and 363(b) of the Bankruptcy Code); *In re Aéropostale, Inc.*, No. 16-11275 (SHL) (Bankr. S.D.N.Y. June 3, 2016) (same); *In re Fairway Grp. Holdings Corp.*, No. 16-11241 (MEW) (Bankr. S.D.N.Y. June 1, 2016) (same); *In re Republic Airways Holdings Inc.*, No. 16-10429 (SHL) (Bankr. S.D.N.Y. Mar. 23, 2016) (same); *In re Sabine Oil & Gas Corp.*, No. 15-11835 (SCC) (Bankr.

S.D.N.Y. Aug. 10, 2015) (same); *In re Chassix Holdings, Inc.*, No. 15-10578 (MEW) (Bankr. S.D.N.Y. Apr. 10, 2015) (same).⁴

**Processing of Checks and
Electronic Fund Transfers Should Be Authorized**

19. The Debtors have sufficient funds to pay the amounts described in this motion by virtue of expected cash flows during these chapter 11 cases, debtor-in-possession financing, and anticipated access to cash collateral. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the Insurance Policies. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this motion.

The Requirements of Rule 6003 Are Satisfied

20. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date "to the extent that relief is necessary to avoid immediate and irreparable harm." For the reasons discussed above, authorizing the Debtors to continue insurance coverage and granting the other relief requested herein is essential to the Debtors' ability to transition their operations into these chapter 11 cases and maintain the value of their estates postpetition. Failure to receive such authorization and other relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors' ability to maintain their estates at this critical juncture.

⁴ Because of the voluminous nature of these orders, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

Accordingly, the Debtors submit that they have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

Reservation of Rights

21. Nothing contained in this motion or any actions taken by the Debtors pursuant to relief granted in the Interim Order and Final Order is intended or should be construed as: (a) an admission as to the validity of any particular claim against a Debtor entity; (b) a waiver of the Debtors’ rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors’ rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court’s order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors’ rights to subsequently dispute such claim.

Motion Practice

22. This motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated and a discussion of their application to this motion. Accordingly, the Debtors submit that this motion satisfies Local Rule 9013-1(a).

Waiver of Bankruptcy Rules 6004(a) and 6004(h)

23. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a)

and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Notice

24. The Debtors will provide notice of this motion to: (a) the Office of the United States Trustee for the Southern District of New York; (b) the holders of the 50 largest unsecured claims against the Debtors (on a consolidated basis); (c) counsel to the agent under the Debtors' proposed asset-based lending revolving debtor-in-possession credit facility and the Debtors' prepetition asset-based lending revolving credit facility lenders; (d) counsel to the administrative agent under the Debtors' proposed debtor-in-possession term loan credit facility and the Debtors' prepetition tranche B term loan lenders; (e) counsel to the Debtors' prepetition tranche A term loan lenders; (f) counsel to the Debtors' prepetition new tranche A term loan lenders; (g) holders of BCBG Max Azria Global Holdings, LLC common units; (h) holders of BCBG Max Azria Global Holdings, LLC preferred units; (i) the United States Attorney's Office for the Southern District of New York; (j) the Internal Revenue Service; (k) the Environmental Protection Agency; (l) the office of the attorneys general for the states in which the Debtors operate; (m) the Securities and Exchange Commission; (n) the Insurance Carriers; (o) the Brokers; and (p) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

25. No prior motion for the relief requested herein has been made to this or any other court.

[Remainder of page intentionally left blank]

WHEREFORE, the Debtors respectfully request that the Court enter the Interim Order and Final Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Dated: March 1, 2017

/s/ Joshua A. Sussberg

Joshua A. Sussberg, P.C.

Christopher J. Marcus, P.C.

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- and -

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Proposed Counsel to the Debtors and Debtors in Possession

EXHIBIT A

Proposed Interim Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)

) Chapter 11

BCBG MAX AZRIA GLOBAL HOLDINGS,
LLC, *et al.*,¹)

) Case No. 17-10466 (___)

) Debtors.)

) (Joint Administration Requested)

INTERIM ORDER (I) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO (A) PAY THEIR OBLIGATIONS UNDER INSURANCE POLICIES ENTERED INTO PREPETITION, (B) CONTINUE TO PAY BROKERAGE FEES, (C) RENEW, SUPPLEMENT, MODIFY, OR PURCHASE INSURANCE COVERAGE, (D) HONOR THE TERMS OF THE FINANCING AGREEMENTS AND PAY PREMIUMS THEREUNDER, AND (E) ENTER INTO NEW FINANCING AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")² of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order"): (a) authorizing, but not directing, the Debtors to (i) pay their obligations under the insurance policies entered into prepetition, (ii) continue to pay certain brokerage fees, (iii) renew, supplement, modify, or purchase insurance coverage in the ordinary course, (iv) honor the terms of the Financing Agreements and premiums thereunder and (v) enter into new premium financing agreements in the ordinary course of business; and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: BCBG Max Azria Global Holdings, LLC (6857); BCBG Max Azria Group, LLC (5942); BCBG Max Azria Intermediate Holdings, LLC (3673); Max Rave, LLC (9200); and MLA Multibrand Holdings, LLC (3854). The location of the Debtors' service address is: 2761 Fruitland Avenue, Vernon, California 90058.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

Order of Reference from the United States District Court for the Southern District of New York, dated January 31, 2012; and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.
2. The final hearing (the "Final Hearing") on the Motion shall be held on _____, 2017, at ___:___ .m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on _____, 2017, and shall be served on: (a) the Debtors, BCBG Max Azria Global Holdings, LLC, 2761 Fruitland Avenue, Vernon, California 90058, Attn: Erica Alterwitz-Meierhans; (b) proposed counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: Benjamin M. Rhode and John R. Luze; (c) counsel to the agent under the Debtors' proposed asset-based lending revolving debtor-in-possession credit facility and the Debtors' prepetition asset-based lending revolving credit facility lenders, Morgan, Lewis & Bockius LLP, One Federal Street, Boston, Massachusetts 02110, Attn: Marc R. Leduc and Matthew F. Furlong; (d) counsel to the administrative agent under the Debtors' proposed

debtor-in-possession term loan credit facility and the Debtors' prepetition tranche B term loan lenders, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Matt Barr; (e) counsel to the Debtors' prepetition tranche A term loan lenders, Curtis, Mallet-Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, New York 10178-0061, Attn: Steven J. Reisman; (f) counsel to the Debtors' prepetition new tranche A term loan lenders, Winston & Strawn LLP, 200 Park Avenue, New York, New York 10166-4193, Attn: Jordan S. Traister; (g) counsel to any statutory committee appointed in these cases; and (h) the Office of The United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014, Attn: Brian Masumoto, Esq. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

3. The Debtors are authorized to continue the Insurance Policies, including the Insurance Policies identified on **Exhibit C** to the Motion, and, in their sole discretion, pay any prepetition or postpetition obligations related to the Insurance Policies, including any amounts owed to the Brokers.

4. The Debtors are authorized to renew, amend, supplement, extend, or purchase insurance policies to the extent that the Debtors determine, in their sole discretion, that such action is in the best interest of their estates. The Debtors are authorized to honor the terms of the Financing Agreements and pay premiums thereunder in an aggregate amount not to exceed \$550,000, to renew the Premium Financing Agreements, and to enter into new premium financing agreements in the ordinary course of business.

5. Notwithstanding anything to the contrary in the Financing Agreements, the Debtors' filing of these chapter 11 cases shall not constitute a default under the Financing Agreements.

6. The Debtors are authorized, but not directed, to honor any amounts owed on account of any Insurance Policy Audits in the ordinary course of business.

7. Notwithstanding the foregoing, pending entry of the Final Order, the Debtors' payments on account of the Insurance Policies and Premium Financing Agreements shall not exceed \$855,000, and the Debtors shall only make payments that become due and payable in the ordinary course of business prior to the Final Hearing.

8. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights or the rights of any other Person under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

9. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized

and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

10. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Insurance Policies.

11. Notwithstanding anything to the contrary contained herein, (i) payments made by the Debtors pursuant to the authority granted in this Order must be in compliance with, and shall be subject to, the requirements imposed on the Debtors under the Debtors' postpetition financing agreements (the "DIP Agreements") and the terms and conditions of the interim and final orders, as applicable, approving the DIP Agreements and governing the Debtors' use of cash collateral (in either case, the "DIP Order"), and (ii) to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

12. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

13. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

14. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

15. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

16. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

New York, New York

Dated: _____, 2017

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Proposed Final Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)

) Chapter 11

BCBG MAX AZRIA GLOBAL HOLDINGS,
LLC, *et al.*,¹)

) Case No. 17-10466 (___)

) Debtors.)

) (Joint Administration Requested)

FINAL ORDER (I) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO (A) PAY THEIR OBLIGATIONS UNDER INSURANCE POLICIES ENTERED INTO PREPETITION, (B) CONTINUE TO PAY BROKERAGE FEES, (C) RENEW, SUPPLEMENT, MODIFY, OR PURCHASE INSURANCE COVERAGE, (D) HONOR THE TERMS OF THE FINANCING AGREEMENTS AND PAY PREMIUMS THEREUNDER, AND (E) ENTER INTO NEW FINANCING AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")² of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of a final order (this "Final Order"): (a) authorizing, but not directing, the Debtors to (i) pay their obligations under the insurance policies entered into prepetition, (ii) continue to pay certain brokerage fees, (iii) renew, supplement, modify, or purchase insurance coverage in the ordinary course, (iv) honor the terms of the Financing Agreements and premiums thereunder and (v) enter into new premium financing agreements in the ordinary course of business; and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: BCBG Max Azria Global Holdings, LLC (6857); BCBG Max Azria Group, LLC (5942); BCBG Max Azria Intermediate Holdings, LLC (3673); Max Rave, LLC (9200); and MLA Multibrand Holdings, LLC (3854). The location of the Debtors' service address is: 2761 Fruitland Avenue, Vernon, California 90058.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

Order of Reference from the United States District Court for the Southern District of New York, dated January 31, 2012; and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized to continue the Insurance Policies, including the Insurance Policies identified on Exhibit C to the Motion, and, in their sole discretion, pay any prepetition or postpetition obligations related to the Insurance Policies, including any amounts owed to the Brokers.
3. The Debtors are authorized to renew, amend, supplement, extend, or purchase insurance policies to the extent that the Debtors determine, in their sole discretion, that such action is in the best interest of their estates. The Debtors are authorized to honor the terms of the Financing Agreements and pay premiums thereunder in an aggregate amount not to exceed \$725,000, to renew the Premium Financing Agreements, and to enter into new premium financing agreements in the ordinary course of business.

4. Notwithstanding anything to the contrary in the Financing Agreements, the Debtors' filing of these chapter 11 cases shall not constitute a default under the Financing Agreements.

5. The Debtors are authorized, but not directed, to honor any amounts owed on account of any Insurance Policy Audits in the ordinary course of business.

6. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights or the rights of any other Person under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

7. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Insurance Policies.

9. Notwithstanding anything to the contrary contained herein, (i) payments made by the Debtors pursuant to the authority granted in this Order must be in compliance with, and shall be subject to, the requirements imposed on the Debtors under the Debtors' postpetition financing agreements (the "DIP Agreements") and the terms and conditions of the interim and final orders, as applicable, approving the DIP Agreements and governing the Debtors' use of cash collateral (in either case, the "DIP Order"), and (ii) to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

10. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

11. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

12. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

13. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

14. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

New York, New York

Dated: _____, 2017

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT C

Insurance Policies

Type of Coverage	Insurance Carrier	Policy Numbers	Term	Approximate Annualized Gross Premium ¹
Property	Affiliated FM Insurance Co.	SX226	6/1/2016 to 5/31/17	\$773,193
Excess Difference in Conditions- Earth Movement Only	Arch Specialty Insurance Co.	ESP7302301-01	6/1/2016 to 5/31/17	\$34,056
Excess Difference in Conditions- Earth Movement Only	Mt. Hawley Insurance Company	MCQ0200299	6/1/2016 to 5/31/17	\$34,211
Cargo (Stock Throughput)	Lloyds of London	B0180PC1602150	6/1/2016 to 5/31/17	\$280,000
General Liability	Everest National Insurance Company	CF1GL00150161	8/1/2016 to 8/1/2017	\$169,446
Auto Liability	Everest National Insurance Company	CF1CA00047161	8/1/2016 to 8/1/2017	\$21,056
Umbrella	Great American Insurance Co. of New York	UMB1800395	8/1/2016 to 8/1/2017	\$57,484
Excess Liability A	Fireman's Fund Insurance Co.	SHX00024534000	8/1/2016 to 8/1/2017	\$13,923
Excess Liability B	Lexington Insurance Company	15375238	8/1/2016 to 8/1/2017	\$4,626
Excess Liability C	Ohio Casualty Insurance Co.	ECO(16)55087235	8/1/2016 to 8/1/2017	\$1,576
Foreign Commercial Liability, Including Guam General Liability & Workers Compensation	The Insurance Co. of the State of Pennsylvania (AIG)	WS 110060654	8/1/2016 to 7/31/2017	\$14,431

¹ All Insurance Policies are financed through the Financing Agreements, except for General and Auto Liability policies, which the Debtors pay on a monthly basis, the Aircraft policy, which the Debtors pay on a quarterly basis, and the Directors & Officers 6 Year Tail Policy.

Type of Coverage	Insurance Carrier	Policy Numbers	Term	Approximate Annualized Gross Premium¹
Workers Compensation	Federal Insurance Company (Chubb)	71725918	8/1/2016 to 7/31/2017	\$876,183
Special Coverage (K&R)	National Union Fire Insurance Co. of Pittsburgh, PA (AIG)	82-867-314	9/5/2016 to 9/5/2017	\$8,497
Directors & Officers/Fiduciary Liability & Employment Practices	Ironshore Specialty Insurance Company	2293000	9/5/2016 to 9/5/2017	\$300,000
Directors & Officers 6 Year Tail	Ironshore Specialty Insurance Company	2293000	2/5/2017 to 9/5/2023	\$450,000
Runoff Directors & Officers/Fiduciary Liability & Employment Practices	National Union Fire Insurance Co. of Pittsburgh, PA	04-840-56-17	2/5/2015 to 2/5/2021	\$9,600
Commercial Crime	Hanover Insurance Group	1039373	9/5/2016 to 9/5/2017	\$6,966
Aircraft	AIG (Andreini & Company Inc.)	GM012158520-02	1/1/2017 to 12/31/2017	\$49,832