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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 (SCC)
)	
Debtors.)	(Jointly Administered)
)	

**NOTICE OF DEBTORS' APPLICATION FOR ENTRY
OF AN ORDER PURSUANT TO SECTIONS 327(A) AND 328 OF
THE BANKRUPTCY CODE, BANKRUPTCY RULES 2014 AND 2016
AND LOCAL RULES 2014-1 AND 2016-1 AUTHORIZING THE EMPLOYMENT
AND RETENTION OF A&G REALTY PARTNERS, LLC AS A REAL ESTATE
CONSULTANT AND ADVISOR *NUNC PRO TUNC* TO THE PETITION DATE**

PLEASE TAKE NOTICE that on March 14, 2017, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed the *Debtors' Application for Entry of an Order Pursuant to Sections 327(a) and 328 of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016 and Local Rules 2014-1 and 2016-1 Authorizing the Employment and Retention of A&G Realty Partners, LLC as a Real Estate Consultant and Advisor Nunc Pro Tunc to the Petition*

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.

Date (the “Application,” a copy of which is attached hereto). A hearing (the “Hearing”) on the Application will be held before the Honorable Shelley C. Chapman of the United States Bankruptcy Court for the Southern District of New York (the “Court”), in Room 623, One Bowling Green, New York, New York 10004-1408, on **March 28, 2017, at 3:00 p.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that any responses or objections (each, an “Objection”) to the Application and the relief requested therein shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, and the *Order (I) Establishing Certain Notice, Case Management, and Administrative Procedures and (II) Granting Related Relief* [Docket No. 90] (the “Case Management Order”), shall set forth the basis for the Objection and the specific grounds therefore, and shall be filed with the Court electronically in accordance with General Order M-399 by registered users of the Court’s case filing system (the User’s Manual for the Electronic Case Filing System can be found at <http://www.nysb.uscourts.gov>, the official website for the Court), with a hard copy delivered directly to chambers pursuant to Local Bankruptcy Rule 9070-1 and served so as to be actually received no later than **March 21, 2017, at 4:00 p.m. (prevailing Eastern Time)** (the “Objection Deadline”), upon the parties on the Master Service List (as defined in the Case Management Order), including, without limitation:

- a. Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654 (Attn: Benjamin M. Rhode and John R. Luze), the proposed attorneys for the Debtors;
- b. The Office of The United States Trustee for Region 2, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Brian Masumoto, Esq.);
- c. Pachulski Stang Ziehl & Jones LLP, 780 Third Avenue, 34th Floor, New York, New York 10017-2024 (Attn: Bradford Sandler and Robert Feinstein), the proposed attorneys for the Official Committee of Unsecured Creditors;

- d. Morgan, Lewis & Bockius LLP, One Federal Street, Boston, Massachusetts 02110 (Attn: Marc R. Leduc, Matthew F. Furlong), attorneys to the administrative agent under the Debtors' prepetition and postpetition asset-based revolving credit facilities; and
- e. Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Matt Barr), attorneys to the administrative agent under the Debtors' prepetition and postpetition term loan credit facilities.

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served with respect to the Application, the Debtors shall, on or after the Objection Deadline, submit to the Court an order substantially in the form annexed as **Exhibit A** to the Application, which order the Court may enter with no further notice or opportunity to be heard.

PLEASE TAKE FURTHER NOTICE that the Hearing may be continued or adjourned thereafter from time to time without further notice other than an announcement of the adjourned date or dates at the Hearing. The Debtors will file an agenda before the Hearing, which may modify or supplement the Application to be heard at the Hearing.

PLEASE TAKE FURTHER NOTICE that a copy of the Application may be obtained free of charge by visiting the website of Donlin, Recano & Company, Inc. at <http://www.donlinrecano.com/bcbg>. You may also obtain copies of any pleadings by visiting the Court's website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

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Dated: March 14, 2017

/s/ Joshua A. Sussberg

Joshua A. Sussberg, P.C.

Christopher J. Marcus, P.C.

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

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In re:)	Chapter 11
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BCBG MAX AZRIA GLOBAL HOLDINGS, LLC, <i>et al.</i> , ¹)	Case No. 17-10466 (SCC)
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	Debtors.)	(Jointly Administered)
<hr/>)	

**DEBTORS' APPLICATION FOR ENTRY OF AN ORDER PURSUANT TO SECTIONS
327(A) AND 328 OF THE BANKRUPTCY CODE, BANKRUPTCY RULES 2014 AND
2016 AND LOCAL RULES 2014-1 AND 2016-1 AUTHORIZING THE EMPLOYMENT
AND RETENTION OF A&G REALTY PARTNERS, LLC AS A REAL ESTATE
CONSULTANT AND ADVISOR *NUNC PRO TUNC* TO THE PETITION DATE**

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 application (the "Application"):

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 the Debtors' chapter 11 cases, are set forth in greater detail in the *Declaration of Holly Felder Etilin, Chief Restructuring Officer of BCBG Max Azria Global Holdings, LLC, (I) in Support of Chapter 11 Petitions and First Day Motions and (II) Pursuant to Local Bankruptcy Rule 1007-2* [Docket No. 3] (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").

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Order”): (a) authorizing the employment and retention of A&G Realty Partners, LLC (“A&G”), as real estate consultant and advisor to the Debtors *nunc pro tunc* as of the commencement of the Petition Date (as defined below) and in accordance with the terms and conditions set forth in that certain services agreement dated March 13, 2017 (the “Services Agreement”), a copy of which is attached hereto as **Exhibit B**; (b) approving the terms of A&G’s employment, including the fee and expense structure, reimbursement and related provisions set forth in the Services Agreement; (c) approving a waiver of compliance with the information requirements relating to compensation requests set forth in the United States Trustees (“U.S. Trustee”) Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (the “Fee Guidelines”); and (d) granting related relief. In support of this Application, the Debtors submit and incorporate by reference the Declaration of Michael Jerbich, Principal of A&G (the “Jerbich Declaration”), which is attached hereto as **Exhibit C**.

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 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 Application 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 327(a) and 328 of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Rules 2014-1 and 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”).

Retention and Qualifications of A&G

5. The Debtors operate in all fifty states, as well as in Canada, Europe, and Japan. The Debtors’ products are sold in more than 480 domestic locations, including more than 120 stand-alone retail stores, approximately 58 factory outlet stores, and approximately 290 “partner shops”. In consideration of the various landlord issues that will arise during the pendency of these chapter 11 cases, the Debtors have determined that the services of experienced real estate consultants will substantially enhance their attempts to maximize the value of their estates.

6. The principals of A&G have over 50 years of commercial real estate experience and have extensive knowledge and expertise in the retail industry. As a diversified real estate consulting and advisory firm, A&G is well qualified to provide these services. A&G evaluates, restructures, facilitates the acquisition of, and disposes of all types of real estate. The Debtors have chosen A&G as their real estate advisor and consultant because of A&G’s significant experience in providing services regarding the review, analysis and negotiation of real property lease agreements, both in and out of chapter 11 cases.

7. Additionally, A&G has significant experience in the disposition and renegotiation of leases and properties in bankruptcy. Indeed, A&G’s professionals have assisted, advised or been retained as real estate consultants in a variety of bankruptcy cases involving issues relating

to the review, analysis, renegotiation, and disposition of key real property and lease agreements.

8. Furthermore, A&G has worked with the Debtors prior to this filing and have gained extensive knowledge regarding the Debtors and their leases. Therefore, the Debtors believe that A&G is well qualified to perform all services contemplated by the Services Agreement, and to represent the Debtors' interests in these chapter 11 cases in a cost effective, efficient and timely manner.

Services to Be Performed By A&G

9. As set forth more fully in the Services Agreement, A&G will provide the following services (the "Services"): ³

- a. consult with the Debtors to discuss the Debtors' goals, objectives and financial parameters in relation to the Leases/Properties;
- b. negotiate with the landlords of the Properties on behalf of the Debtors in order to assist the Debtors in obtaining Lease Modifications;
- c. negotiate with the landlords of the Properties and other third parties on behalf of the Debtors in order to assist the Debtors in obtaining Early Termination Rights; and
- d. report periodically to the Debtors regarding the status of the Services.

10. The Services are necessary to enable the Debtors to maximize the value of their Leases and is in the best interests of the Debtors, their estate and their creditors. Therefore, the Debtors have requested that A&G perform the Services set forth in the Services Agreement and summarized herein, subject to the Court's approval of this Application, and A&G has stated their desire, willingness and ability to act as the Debtors' real estate consultant and advisor in these chapter 11 cases.

³ Capitalized terms shall have the meaning ascribed to them in the Services Agreement.

11. The Services that will be rendered by A&G in connection with this proposed engagement are not duplicative of the services to be performed by any of the Debtors' other retained professionals or advisors. The Debtors will coordinate with A&G and the Debtors' other professionals to minimize unnecessary duplication of efforts among the Debtors' professionals.

Professional Compensation

12. Subject to the Court's approval, the Debtors will compensate A&G in accordance with the terms and conditions set forth in the Services Agreement, including Schedule B thereto.

It is contemplated that A&G shall be compensated as follows:

- a. Retainer - A&G shall receive a retainer fee in the amount of one hundred and fifty thousand dollars (\$150,000) upon execution of the Services Agreement. The retainer is non-refundable and shall be applied to the fees due under the terms of the Services Agreement.
- b. Monetary Lease Modifications - For each Monetary Lease Modification obtained by A&G on behalf of the Debtors, A&G shall earn and be paid four percent (4%) of the Occupancy Cost Savings per Lease.
- c. Non-Monetary Lease Modifications - For each Non-Monetary Lease Modification obtained by A&G on behalf of the Debtors, A&G shall earn and be paid one thousand five hundred dollars (\$1,500.00) per Lease.
- d. Early Termination Rights - For each Early Termination Right obtained by A&G on behalf of the Debtors, A&G shall earn and be paid a fee of five thousand dollars (\$5,000.00).

13. In the ninety days immediately preceding the Petition Date, A&G has not received any fees from the Debtors in connection with this matter.

14. A&G also intends to seek reimbursement for its reasonable out-of-pocket expenses (including, but not limited to, legal, mailing, marketing and travel expenses) incurred in connection with its retention and performance of Services. Any reimbursable expenses shall be paid to A&G within ten (10) business days after the Debtors' receipt of an invoice.

15. The Debtors believe that the compensation structure described above and set forth in the Services Agreement is comparable to compensation generally charged by real estate advisors of similar structure to A&G for comparable engagements, both in and out of bankruptcy. Furthermore, the Debtors believe that the compensation structure is consistent with A&G's normal and customary billing practices for cases of comparable size and complexity that require the level and scope of services to be provided in this case.

Retention Under Sections 327(a) and 328 of the Bankruptcy Code

16. The Debtors seek approval of the fee arrangement under the Services Agreement pursuant to sections 327(a) and 328(a) of the Bankruptcy Code to retain and employ A&G as their real estate advisors. Section 328(a) provides, in relevant part, that a debtor "with the court's approval, may employ or authorize the employment of a professional person under section 327 . . . on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis." 11 U.S.C. § 328(a).

17. As recognized by numerous courts, Congress intended section 328(a) to enable a debtor to retain professionals pursuant to specific fee arrangements to be determined at the time of the court's approval of the retention, subject to review if the terms are found to be improvident in light of "developments not capable of being anticipated at the time of the fixing of such terms and conditions." See *Donaldson, Lufkin & Jenrette Sec. Corp. v. Nat'l Gypsum Co. (In re Nat'l Gypsum Co.)*, 123 F.3d 861, 862–63 (5th Cir. 1997); *Henry A. Leonard & Co. v. United States Trustee (In re River Foal, Inc.)*, 161 B.R. 568, 569 (Bankr. S.D.N.Y. 1993).

18. The Debtors submit that the fee structure set forth in the Services Agreement is reasonable under section 328(a) of the Bankruptcy Code in light of (a) the nature and scope of services to be provided by A&G, (b) industry practice with respect to the fee structure proposed by

A&G, (c) market rates charged for comparable services both in and out of chapter 11, and (d) A&G's substantial experience with respect to real estate issues.

19. In addition, the terms of the Services Agreement were negotiated in good faith and at arms-length between the Debtors and A&G and reflect the Debtors' evaluation of the value and expertise of the work to be performed by A&G.

Payment of Compensation and Expenses

20. The Debtors respectfully submit that inasmuch of A&G's compensation is results oriented and directly related to benefits received by the Debtors' estate as a result of the Lease modifications, requiring A&G to file detailed time records and periodic fee applications in accordance with sections 330 and 331 of the Bankruptcy Code, and in compliance with Bankruptcy Rule 2016 and the Fee Guidelines is unnecessary under the circumstances. As set forth in the Jerbich Declaration, it is standard practice in A&G's industry for professionals providing services relating to lease modifications to be compensated on a flat fee percentage basis, rather than on an incremental hourly basis, for such services.

21. As set forth herein, A&G is being retained under sections 327(a) and 328(a) of the Bankruptcy Code and will be employed by the Debtors to perform a highly specialized and discrete task and accordingly, will not be compensated based upon time and effort expended. Instead, A&G will be compensated based on a percentage of the savings from the lease modification transactions. Requiring A&G to record and submit detailed time entries in light of the transactional nature of the services to be rendered by A&G herein and the flat fee, percentage-based fee structure proposed under the Services Agreement would be unduly burdensome to A&G. The Debtors further acknowledge and agree that the ultimate benefit to the Debtors from A&G's services likely could not be measured merely by reference to the number of

hours to be expended by the A&G professionals in the performance of such services. Accordingly, the Debtors request that A&G be relieved of the requirement to maintain detailed time records or file interim fee applications.

22. The Debtors propose that for all fees and for all expenses incurred in connection with the Services, A&G be paid 100% of the amount due upon submission of an acceptable invoice to the Debtors and in accordance with the Services Agreement. Upon completion of their work for the Debtors, A&G will file a final fee application for review by the Court and parties in interest pursuant to section 328(a) of the Bankruptcy Code for all Services.

23. Furthermore, in the event that there are any Additional Services, the Debtors propose that A&G be required to submit interim and final applications with regards to such services on an hourly basis only, and that the time detail provided with such fee applications be provided in a summary fashion. Specifically, A&G will submit time detail setting forth the hours spent on each activity and a description of the services provided, but will not break out their time into tenth-of-an-hour increments.

24. The Debtors believe that the applications submitted in the manner set forth herein will provide the Court and other parties in interest with sufficient information to monitor the amount and types of services rendered to the Debtors by A&G, is necessary, and in the best interests of the Debtors, their creditors and their estates.

25. Based on the foregoing, the Debtors request that the Court enter the Order, substantially in the form attached hereto as **Exhibit A**, approving A&G's retention as exclusive real estate advisors for the Debtors pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, *nunc pro tunc* to the Petition Date, and approving the terms of the Services Agreement.

Disinterestedness

26. Section 327(a) of the Bankruptcy Code provides that a debtor “may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the [debtor] in carrying out the [debtor’s] duties . . .” 11 U.S.C. § 327(a).

27. To the best of the Debtors’ knowledge, and as set forth in more detail in the Jerbich Affidavit, and subject to the disclosures made therein, A&G (a) is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and (b) does not hold or represent an interest adverse to the Debtors or the Debtors’ estate.

28. Furthermore, except as disclosed in the Jerbich Affidavit, A&G has indicated that based on the results of its research conducted to date, and to the best of its knowledge, neither A&G, nor any employee thereof, has any connection with the Debtors, any creditors of the Debtors’ estate, or any other parties-in-interest (as reasonably known by A&G) or their respective attorneys and accountants, or other advisors, or the United States Trustee, or any person employed in the Office of the United States Trustee.

29. A&G is not owed any amounts by the Debtors as of the Petition Date and does not hold a claim against the Debtors’ estate. A&G has indicated that if it discovers any information that is contrary to or pertinent to the statements made in the Jerbich Affidavit, it will promptly disclose such information to this Court, the Debtors, and the United States Trustee.

30. The Debtors have also been advised that A&G has not agreed to share with any person or firm, other than its own members and employees, the compensation to be paid for the professional services rendered in connection with these chapter 11 cases.

Motion Practice

31. This Application 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 Application. Accordingly, the Debtors submit that this Application satisfies Local Rule 9013-1(a).

Waiver of Stay Under Bankruptcy Rule 6004(h)

32. The Debtors also request that the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As described above, the relief that the Debtors seek in this Application is necessary for the Debtors to operate without interruption and to preserve value for their estates. Accordingly, the Debtors respectfully request that the Court waive the fourteen-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

Notice

33. The Debtors will provide notice of this Application to: (a) the Master Service List; (b) the 2002 List; and (c) any Affected Entity (each as defined in the *Order (I) Establishing Certain Notice, Case Management, and Administrative Procedures and (II) Granting Related Relief* [Docket No. 90]). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

34. No prior request for the relief sought in this Application has been made to this or any other court.

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

Dated: March 14, 2017
New York, New York

/s/ Holly Felder Etlin
Holly Felder Etlin
Chief Restructuring Officer
BCBG Max Azria Global Holding, LLC and
its Debtor subsidiaries

EXHIBIT A

Proposed Order

**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 (SCC)
)	
Debtors.)	(Jointly Administered)

**ORDER PURSUANT TO SECTIONS 327(a) AND 328 OF THE
BANKRUPTCY CODE, BANKRUPTCY RULES 2014 AND 2016, AND LOCAL
RULES 2014-1 AND 2016-1 AUTHORIZING THE EMPLOYMENT AND
RETENTION OF A&G REALTY PARTNERS, LLC AS A REAL ESTATE
CONSULTANT AND ADVISOR *NUNC PRO TUNC* TO THE PETITION DATE**

Upon the application (the “Application”)² of the Debtors for entry of an order (this “Order”) under sections 327(a) and 328 of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-1 authorizing the employment and retention of A&G Realty Partners, LLC (“A&G”) as a real estate advisor and consultant for the Debtors *nunc pro tunc* to the Petition Date; and the Court having reviewed the Application, the First Day Declaration, and the Jerbich Declaration; and the Court being satisfied with the representations made in the Application, the First Day Declaration, and the Jerbich Declaration that A&G represents no interest adverse to the estates, that it is a “disinterested person” as that term is defined under section 101(14) of the Bankruptcy Code, and that its employment is necessary; and the Court having found that the Court has jurisdiction over this matter pursuant to 28 U.S.C.

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 Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Application.

§§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and the Court having found that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Application is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and the Court having found that the Debtors provided adequate and appropriate notice of the Application under the circumstances and that no other or further notice is required; and the Court having reviewed the Application and having heard statements in support of the Application at a hearing, if any, held before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and any objections to the relief requested herein having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. In accordance with sections 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014 and 2016, the Debtors are hereby authorized to employ and retain A&G as their real estate consultant and advisor *nunc pro tunc* to the Petition Date on the terms and conditions set forth in the Application and the Services Agreement.

2. The terms and provisions of the Services Agreement are approved and the Debtors are authorized to compensate A&G in accordance with the Services Agreement, including Schedule B thereto. A&G shall not be required to file interim fee applications for its fixed fee Services; *provided, however* that A&G shall be required to file a final fee application upon completion of its Services which shall be subject to the standard of review provided for in section 328(a) of the Bankruptcy Code.

3. In the event that there are any Additional Services provided by A&G to the Debtors, A&G shall be required to file interim and final fee applications on an hourly basis only and the time detail provided for such fees may be provided in a summary fashion. Specifically, A&G will submit time records setting forth the hours spent on each activity and a description of the Additional Services provided, but will not break out their time into tenth-of-an-hour increments.

4. The information requirements set forth in the United States Trustees Guidelines for Reviewing Applications for Compensation and Reimbursements of Expenses Filed under 11 U.S.C. § 330 are hereby waived and A&G shall not be required to maintain records of detailed time entries in connection with the Services as that term is defined in the Services Agreement.

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

6. Notwithstanding anything to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

7. The requirements set forth in Local Rule 9013-1(b) are satisfied by the contents of the Application.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Application.

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

New York, New York

Dated: _____, 2017

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Services Agreement

Final - 3.13.17



**REAL ESTATE SERVICES
AGREEMENT WITH
BCBG MAX AZRIA GROUP, LLC**

This Real Estate Services Agreement including the Schedules attached hereto (collectively the "Agreement") is made as of February 27, 2017 (the "Agreement Date") by and between **A&G REALTY PARTNERS, LLC**, a New York limited liability Debtor ("A&G") with its principal place of business at 445 Broadhollow Road, Suite 410, Melville, New York 11797 and **BCBG MAX AZRIA GROUP, LLC**, a Delaware limited liability company with its principal place of business at 2761 Fruitland Avenue, Vernon, California 90058, including its affiliates and subsidiaries (collectively the "Company" and or the "Debtor") (each a "Party" and collectively the "Parties").

WITNESSETH:

WHEREAS, on or around the date of this Agreement, the Debtor intends to file and/or filed a voluntary petition (the "Bankruptcy Case") in the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court") seeking relief under chapter 11 of title 11 of the United States Code ("Bankruptcy Code");

WHEREAS, the Debtor will continue to and/or continues to operate its businesses and manage its Properties as "debtor-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court;

WHEREAS, the Debtor leases (each a "Lease" and collectively the "Leases") certain real Properties (each a "Property" and collectively the "Properties");

WHEREAS, the Debtor desires to: (i) reduce or amend its obligations under the Leases by modifying the terms and conditions ("Lease Modifications"); and (ii) obtain the right to terminate certain Leases prior to their expiration date ("Early Termination Rights");

WHEREAS, the Debtor has designated the Leases and/or Properties that it is seeking Lease Modifications and Early Termination Rights on Schedule A, which is attached hereto and made a part hereof; and

WHEREAS, the Debtor desires to retain A&G to provide the services described below and A&G is willing to provide such services under the terms and conditions contained herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Services to be Provided. In accordance with the terms and conditions of this Agreement, A&G will provide the following services (the "Services"):

- a) consult with the Debtor to discuss the Debtor's goals, objectives and financial parameters in relation to the Leases/Properties;
 - b) negotiate with the landlords of the Properties on behalf of the Debtor in order to assist the Debtor in obtaining Lease Modifications;
 - c) negotiate with the landlords of the Properties and other third parties on behalf of the Debtor in order to assist the Debtor in obtaining Early Termination Rights; and
 - d) report periodically to the Debtor regarding the status of the Services.
2. Term of Agreement. Subject to any Bankruptcy Court approval required, this Agreement shall be for an initial term of one (1) year following the Agreement Date (the "Initial Term") and thereafter shall continue on a month-to-month basis until cancelled by either Party on thirty days' prior written notice to the other Party in accordance with the notice provision below.
 3. Compensation. The compensation for the Services is set forth on Schedule B, which is attached hereto and incorporated herein ("Compensation"). The Debtor acknowledges that the calculations necessary to determine Compensation are predicated on the Debtor Information (as that term is defined below) provided to A&G by the Debtor. Any material discrepancies, inaccuracies or omissions in the Debtor Information will be referred to the Debtor for resolution and may affect the Compensation payable to A&G.
 4. Additional Services. A&G may provide additional services requested by the Debtor that are not otherwise specifically provided for in this Agreement. Any additional services will be mutually agreed upon by the Parties and documented in a separate written agreement.
 5. Recordkeeping. The Services to be provided by A&G pursuant to this Agreement are, in general, transactional in nature. Accordingly, A&G will not bill the Debtor by the hour or maintain time records. The Parties agree that A&G is not being requested or required to maintain time records under this Agreement and that the Compensation is fixed in accordance with the terms herein.
 6. Expenses and Disbursements. A&G shall not be responsible for any transactional costs and/or legal expenses incurred by it or the Debtor in connection with its retention and performance of Services. The Debtor shall reimburse A&G for A&G's reasonable out-of-pocket expenses (including, but not limited to, legal, mailing, marketing and travel expenses) incurred in connection with its retention and performance of Services and shall be paid within ten (10) days upon receipt of invoice, provided however that all out-of-pocket expenses shall first be approved in writing by Debtor.

7. Exclusive. During the duration of this Agreement, A&G shall have the sole and exclusive authority to perform the Services for the Leases/Properties referenced herein. The Debtor agrees to forward all relevant inquiries regarding the Leases/Properties made to the Debtor, its representatives or related parties to A&G. The Debtor acknowledges that A&G may be engaged to provide the same or similar services as those referenced herein to other persons or entities (including, but not limited to, purchasers of the Debtor, its assets, leases, properties and/or designation rights) and that any such engagement shall not constitute or be deemed to be a violation of this Agreement, provided that it is not contrary to the interests of the Debtor or otherwise interferes with A&G's ability to provide the Services. A&G will notify the Debtor of any such potential conflicts as soon as reasonably practicable.
8. Debtor's Representative. Holly Etlin will be the Debtor's representative ("Debtor's Representative") in dealing with A&G. The Debtor reserves the right, at any time and from time-to-time, upon written notice to A&G, to designate a successor representative or an additional representative and to limit the authority of the representative(s) in any respect. A&G will report regularly to the Debtor's Representative in order to keep him fully apprised of A&G's performance. Michael Jerbich will be the A&G designated principal representative for the Debtor. If A&G seeks to change its principal designated representative, the Debtor agrees to reasonably consent to any proposed replacement.
9. Debtor Cooperation. The Debtor agrees to provide A&G with all information concerning the Leases/Properties necessary for A&G's performance of its obligations hereunder, including, but not limited to, copies of the Leases, a list of current rents, taxes and other charges relating to the Leases and such other information as A&G reasonably requests for the performance of its Services. Additionally, the Debtor agrees to cooperate with A&G in furtherance of this Agreement and to assist in making the Debtor's personnel or representatives available to A&G for consultation as necessary.

All information provided by the Debtor to A&G, as well as the information that the Debtor inserts in the Schedule(s) shall collectively be referred to as "Debtor Information". All Debtor Information shall be materially accurate and complete at the time it is furnished and the Debtor shall, as soon as it becomes aware of any inaccuracy or incompleteness in any Debtor Information provided to A&G, promptly advise A&G in writing of such inaccuracy or incompleteness and correct the same. It is understood and agreed by the Parties that A&G shall base its Services, performance and Compensation on the Debtor Information. Any material inaccuracies, discrepancies or omissions in the Debtor Information may affect the Services provided and lead to a delay in the provision of the Services.

10. Use of Debtor Name. A&G may use the Debtor's name and logo to identify the Debtor as one of A&G's clients.

11. No Authority to Execute Agreements. A&G shall have no right or power to enter into any agreement in the name of or on behalf of the Debtor or to otherwise obligate the Debtor in any manner unless authorized in writing.
12. Meetings and Written Reports. After the commencement of this Agreement, A&G shall meet with, in a manner agreed to by the Parties, the Debtor's Representative(s) to review the Debtor's goals, objectives and financial parameters. Thereafter, A&G will meet with or participate in telephone conferences with the Debtor's Representative(s) regarding the status of the Services as mutually agreed to by the Parties.
13. Disclosures/Reports. All information, advice, recommendations or other content of any reports, presentation or other communications that A&G provides under the terms of this Agreement are solely for the benefit of the Debtor and may not be disclosed to any other party without the prior written consent of A&G. All opinions and advice (written or oral) given by A&G to the Debtor in connection with this Agreement are intended solely for the benefit and use of the Debtor and no such opinion or advice shall be used for any other purpose, or reproduced, disseminated, quoted or referred to at any time, in any manner, or for any purpose, without the prior written consent of A&G.

If the Debtor receives a subpoena, summons or court order by any federal, state or other regulatory agency having jurisdiction over the Debtor relating in any respect to A&G or its Services, the Debtor shall immediately notify A&G so that A&G may obtain a protective order for such information. If A&G is unable to obtain a protective order and the Debtor is required to provide information regarding A&G and/or the Services, the Debtor agrees to provide only that information which is legally required.

14. Confidentiality. A&G acknowledges that information furnished or made available by the Debtor, its employees or representatives to A&G and its employees or representatives relating to the Leases and the business or affairs of the Debtor is confidential and is the property of the Debtor. During the term of this Agreement and for a period of one (1) year thereafter, A&G will not disclose any such information to any person or use any such information for any purpose other than the performance of its obligations hereunder, in each case, without the prior consent of the Debtor. Confidential Information shall not include information which: (i) was in A&G's possession on a non-confidential basis before receipt from the Debtor; (ii) is or becomes generally available to the public other than as a result of a violation of this Agreement by A&G; (iii) is subsequently received by A&G from a third party on a non-confidential basis; or (iv) is independently developed by A&G without the use of or reference to the confidential information.
15. No Authority to Approve or Execute Contracts. All of the terms and conditions of each Lease Modification and Early Termination Right shall be subject to approval by the Debtor, which may be withheld in the sole and absolute discretion of the Debtor. A&G shall have no right or power to enter into any agreement in the name

of or on behalf of the Debtor or to otherwise obligate the Debtor in any manner with respect to any Lease or otherwise.

16. Independent Contractor. Both Parties acknowledge and agree that the arrangements contemplated herein are and will be for the performance of the Services and that nothing contained herein shall create or be construed as creating a contract or other arrangement of employment between the Debtor and A&G. A&G shall provide the Services as an independent contractor and not as an employee, agent, partner or joint venture of the Debtor unless agreed otherwise by the Parties.
17. Early Termination. If either Party materially fails to perform its obligations in accordance with the terms herein, and does not cure such failure within a reasonable period of time after written notice of default, the other Party will have the right to terminate this Agreement by notice of termination to the non-performing Party, effective ten (10) calendar days after the date of such notice. Additionally, if for any reason either Party becomes unable to perform its duties as a result of a legal, contractual or regulatory restriction, such Party shall have the right to terminate this Agreement. Any rights or obligations incurred or accrued by either Party hereto prior to termination shall survive termination of this Agreement. Fees relating to Early Termination rights always survive termination.
18. Assignment. Neither Party may delegate or assign its rights and obligations under this Agreement in whole or in part to an unaffiliated third party without the prior written consent of the other Party.
19. Notices. Unless otherwise expressly provided herein or waived in writing by the Party to whom notice is given, any notice or other communication required or permitted hereunder will be effective if given in writing (i) when delivered by hand; (ii) three days after sent by certified mail, return receipt requested; (iii) when delivered by electronic email communication to the email address set forth below and verified by confirmed receipt; or (iv) one day after delivery to a commercial overnight courier, and addressed to the Parties as follows:

To the Debtor:

BCBG Max Azria Group, LLC
2761 Fruitland Ave.
Vernon, CA 90058
Attention: Legal Dept.
Tel: (323) 277-6546
Email: erica.alterwitz-meierhans@bcbg.com

To A&G:

A&G Realty Partners, LLC
525 West Monroe Street
Suite 2330

Chicago, IL 60661
Attn: Michael Jerbich
Tel: (312) 454-2057
Email: michael@agrealtypartners.com

20. Representations, Warranties and Covenants. Subject to any bankruptcy court approval required, each Party warrants and represents that it has all requisite power and authority to enter into this Agreement and that this Agreement has been validly authorized by all necessary corporate action and constitutes a legal, valid and binding agreement of the Party. Each Party warrants and represents that this Agreement does not and will not violate any applicable law or conflict with any agreement, instrument, judgment, order or decree to which it is a party or by which it is bound. Furthermore, each Party represents and agrees that it will comply with all applicable laws, rules, regulations, orders or decrees during the term of this Agreement in performing its obligations hereunder. Each Party represents that the person signing this Agreement on its behalf has the requisite authority to enter into this Agreement and can bind the respective Party. Furthermore, each Party agrees to deal with the other fairly and in good faith so as to allow each Party to perform its duties and earn the benefit of this Agreement. A&G agrees to utilize reasonable efforts and diligence to achieve the purpose of this Agreement.

21. Bankruptcy. Upon execution of this Agreement, the Debtor agrees to promptly apply to the Bankruptcy Court for an order, in a form acceptable to A&G, authorizing the Debtor to retain and pay A&G in accordance with the terms of this Agreement and to use its best efforts to obtain such order. The Debtor agrees to seek the hiring and retention of A&G under sections 327 and 328 of the Bankruptcy Code. The Debtor will provide A&G with a copy of the pleadings requesting retention of A&G prior to submission to the Bankruptcy Court and advise A&G of any objection or hearings pertaining to A&G's retention. The order authorizing A&G's retention must be acceptable to A&G and A&G's obligations hereunder are conditioned upon the grant of such order. Furthermore, if such order is not obtained within sixty days from the date in which it is filed, A&G shall have the right to terminate this Agreement at any time thereafter. If an acceptable order is not obtained authorizing A&G's services and fees as set forth herein, the Debtor agrees to amend the application in conjunction with and the approval of A&G and request a hearing to review the application. In the event that the Debtor is unable to obtain an acceptable order authorizing the hiring and retention of A&G under the terms of this Agreement and the Agreement is terminated, A&G reserves the right to seek a substantial contribution claim for any rights or obligations incurred or accrued prior to such termination.

22. Survival of Fee. In the event that following the termination of this Agreement, the Debtor or its successors or assigns, enters into a transaction with a landlord of a Property or other third party and A&G has performed the Services, the proximate cause of which is the transaction being entered into with such landlord or other third

party and the result of which would have entitled A&G to a fee pursuant to this Agreement, then in that event, A&G shall be entitled to and paid its fee pursuant to the terms of this Agreement notwithstanding the fact that the Agreement has terminated. Fees relating to Early Termination Rights always survive termination.


23. Intellectual Property. A&G may use data, software, designs, utilities, tools, models, systems and other methodologies that it owns or licenses in performing the Services hereunder. Notwithstanding the delivery of any reports by A&G to the Debtor, A&G shall retain all intellectual property rights in such materials (including any improvements or knowledge developed while performing the Services) and in any working papers compiled in connection with the Services.
24. Indemnification. The Debtor hereby agrees to indemnify A&G and its respective affiliates, officers, directors, employees, agents and independent contractors, and hold each of them harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, asserted against, resulting from (directly or indirectly), or related to the Services or actions or omissions of A&G taken pursuant to this Agreement, (including, but not limited to, any covenants, representations or warranties contained herein) or in any written agreement entered into in connection herewith; except to the extent that such claims or liabilities arise as a direct result of A&G's gross negligence or willful misconduct in connection therewith.
25. Limitation on Liability. A&G shall not responsible for any indirect, incidental, consequential, exemplary, punitive or other special damages (including, but not limited to, loss of profits and damage to reputation or business) arising under or by reason of this Agreement, the Services or any act or omission hereunder. A&G shall not be liable if it is unable to perform its responsibilities hereunder as a result of events beyond its control. Furthermore, in no event shall A&G's liability for a default or breach of this Agreement exceed the amount of fees paid to A&G hereunder.
26. Binding Effect. No Third Party Beneficiaries. This Agreement binds and inures to the benefit of the Parties hereto and their respective successors and permitted assigns, and except as expressly provided herein, is not intended to confer any rights or remedies upon any person not a party to this Agreement.
27. Waivers and Amendments. Waiver by either Party of any default by the other Party shall not be deemed a waiver of any other default. This Agreement (including the Schedule (s) attached hereto) may not be waived, amended, or modified by either Party unless in writing and signed by the Parties hereto.
28. Severability. If any provision, or any portion of any provision, contained in this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, then it is the intent of the Parties to modify or limit such provision or portion thereof so as to be valid and enforceable to the extent permitted under

applicable law. In the event that such provisions or portion thereof cannot be modified, then such provision or portion thereof shall be deemed omitted and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.


29. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein. All prior agreements, representations, statements, negotiations, understandings, and undertakings are superseded by this Agreement. For clarification, this Agreement shall supersede the prior agreement entered into between the Parties on or around September 30, 2016.
30. Counterpart Execution/Facsimile and Electronic Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which together shall constitute one document. Facsimile and electronic signatures on this Agreement and any document contemplated hereby shall be deemed to be original signatures.
31. Governing Law. This Agreement shall be governed by the laws of the State of New York without reference to its conflict of laws rules.
32. Waiver of Jury Trial. Each of the Parties unconditionally waives, to the extent legally permissible, the right to a jury trial in connection with any claim arising out of or related to this Agreement.
33. Headings. The section headings and use of defined terms in the singular or plural tenses in this Agreement is solely for the convenience of the Parties.
34. No Presumptions. This Agreement shall be deemed drafted by both Parties and there shall be no presumption for or against either Party in the interpretation of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives effective as of the Agreement Date.

BCBG MAX AZRIA GROUP, LLC

By: 
Name: Erica Meierhans
Title: General Counsel RUP of Legal

A&G REALTY PARTNERS, LLC


By: _____
Name: Michael Jerbich
Title: Principal

Schedules

- Schedule A Properties – Lease Modifications and Early Termination Rights
- Schedule B Compensation

SCHEDULE A
Properties–Lease Modifications and Early Termination Rights

SCHEDULE B
Compensation

A. Definitions

“Document” - shall be defined as any amendment or agreement that modifies a Lease in any manner, including, but not limited to, the granting of Early Termination Rights, Lease Modifications or Lease Terminations. A document shall also include any letter agreement executed by the landlord.

“Early Termination Right” - shall be defined as the Debtor’s exclusive right to terminate a Lease prior to its expiration date.

“Gross Occupancy Cost” - shall be defined as the sum of the remaining base rent including, but not limited to, any annual increases, percentage rent, CAM, taxes, insurance, rental tax, marketing and merchants association charges, utility charges, HVAC usage charges, trash removal charges, sprinkler usage charges, unpaid rents, tenant improvements due to the landlord and any other charges payable by the Debtor under a particular Lease as of the Agreement Date. In the case of percentage rent, such rent will be calculated using sales figures for the twelve (12) months ended at the end of the month prior to the calculation (equitably adjusted if less than twelve (12) months of sales figures are available). CAM, taxes, insurance, marketing and merchants association charges and all other applicable charges will be calculated using the last available full year charge for each item (which may be a calendar year or a lease year, depending upon which is the most recent full year charge available). In the event that rent increases periodically based upon the change in the Consumer Price Index (CPI), the assumed annual CPI increase shall be two and one-half percent (2.5%).

“Lease Modification” – shall be defined as any alternation, amendment or modification to the original terms and conditions of a Lease agreement. A modification can be monetary or non-monetary (as defined below).

“Monetary Lease Modification” - shall be defined as any modification to or inclusion of additional provisions relating to the monetary terms of a Lease agreement, including, but not limited to, reduction in rent, reduction of unamortized tenant allowance, reduction or elimination of the obligation to pay tenant allowance to the landlord or the addition or removal of a Lease provision that results in Occupancy Cost Savings to the Debtor.

“Non-Monetary Lease Modification” - shall be defined as any modification to the non-monetary terms of a Lease agreement, including, but not limited to, change of use, co-tenancy clause, sublease rights, the negotiation of a lease extension where no option previously existed, the granting of an additional option term or terms, an amendment to

the current option term or terms, the granting of the right to reduce the square footage of the Lease or the granting of the right to relocate.

“New Gross Occupancy Cost” - shall be defined as the reduced Gross Occupancy Cost that results or would result from an Early Termination Right, Lease Modification, Lease Termination or any other amendment to a Lease.

“Occupancy Cost Savings” - shall be defined as the difference between the original Gross Occupancy Cost and the New Gross Occupancy Cost for the period from the earlier of: the effective date of a Document, the date in which the Lease Modification, Lease Termination or other Service becomes effective or the date in which A&G becomes entitled to its Fees under the terms herein, through the end of the original or new Lease term as applicable under the terms of the Services. Occupancy Cost Savings include, but are not limited to, an option term exercised as part of a Lease Modification (including any modifications to the original option term), reduction of rent, reduction of base term, reduction of square footage, CAM charges, taxes, elimination of percentage rent, conversion to percentage rent, reduction or elimination of the requirement to improve the Lease space, reductions in or returns of security deposits, reduction of unamortized tenant allowance, reduction of any obligations to pay tenant allowance to the landlord as part of a lease renewal, termination of rent or any other amendment to a Lease that results in savings to the Debtor.

B. Fees

A&G shall be compensated for its Services as follows:

1. Retainer - The Debtor shall pay A&G a retainer fee in the amount of one hundred fifty thousand dollars (\$150,000.00) upon execution of this Agreement. The retainer is non-refundable and shall be applied to the fees due under the terms of this Agreement.
2. Monetary Lease Modifications - For each Monetary Lease Modification obtained by A&G on behalf of the Debtor, A&G shall earn and be paid four percent (4%) of the Occupancy Cost Savings per Lease.
3. Non-Monetary Lease Modifications - For each Non-Monetary Lease Modification obtained by A&G on behalf of the Debtor, A&G shall earn and be paid one thousand five hundred dollars (\$1,500.00) per Lease.

4. Early Termination Rights - For each Early Termination Right obtained by A&G on behalf of the Debtor, A&G shall earn and be paid a fee of five thousand dollars (\$5,000.00).

C. Payment of Fees.

A&G shall provide a deal sheet for each proposed transaction to the Debtor. If the Debtor approves the proposed transaction and the landlord of the Property or other third party (if applicable) executes a Document that accurately reflects the Debtor accepted transaction and the Lease is assumed, A&G shall be entitled to and paid its fees in accordance with above. A&G shall be entitled to its fees notwithstanding the fact that the Company later determines not to finalize the transaction.

A&G shall apply all fees against the retainer, in accordance with the terms herein, on the twenty-first (21st) day after presenting an invoice therefore.

EXHIBIT C

Declaration of Michael Jerbich

**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 (SCC)
)	
Debtors.)	(Jointly Administered)

**DECLARATION OF MICHAEL JERBICH
IN SUPPORT OF DEBTORS' APPLICATION FOR ENTRY
OF AN ORDER PURSUANT TO SECTIONS 327(A) AND 328 OF
THE BANKRUPTCY CODE, BANKRUPTCY RULES 2014 AND 2016
AND LOCAL RULES 2014-1 AND 2016-1 AUTHORIZING THE EMPLOYMENT
AND RETENTION OF A&G REALTY PARTNERS, LLC AS A REAL ESTATE
CONSULTANT AND ADVISOR *NUNC PRO TUNC* TO THE PETITION DATE**

I, Michael Jerbich, under penalty of perjury, declare as follows:

1. I am a Principal of A&G Realty Partners, LLC ("A&G"). I am authorized to execute and submit this Affidavit on behalf of A&G in support of the application (the "Application") of BCBG Max Azria Global Holdings, LLC ("BCBG"), the debtors and debtors in possession in the above-captioned chapter 11 cases (the "Debtors") for entry of an order authorizing the employment and retention of A&G as a real estate consultant and advisor for the Debtors, *nunc pro tunc* to the Petition Date under the terms and conditions set forth in the Services Agreement, attached to the Application as Exhibit B.²

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 herein shall have the meaning ascribed to them in the Application and the Services Agreement.

2. I submit this Declaration in accordance with section 327(a) and 328 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2014-1 and 2016-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”).

3. The facts set forth in this Declaration are based upon my personal knowledge, information and belief, or client matter records kept in the ordinary course of business that were reviewed by me or other employees of A&G under my supervision and direction. If called and sworn as a witness, I could and would testify competently to the facts set forth herein.

Qualification of Professionals

4. A&G is well suited to provide the real estate services that the Debtors require and have requested that A&G provide in these chapter 11 cases. A&G is a well-known, reputable and diversified real estate consulting and advisory firm with offices located throughout the United States. A&G evaluates, restructures, facilitates the acquisition of, and disposes of all types of real estate. A&G’s expertise includes asset disposition and optimization of property portfolios. A&G’s professionals have extensive experience in providing services regarding the review, analysis, restructuring, disposition, and negotiation of real property and lease agreements.

5. A&G’s principals have over fifty years of commercial real estate experience and A&G has significant experience in the disposition and renegotiation of leases and properties in bankruptcy. Indeed, A&G’s professionals have assisted, advised or been retained as real estate consultants in a variety of bankruptcy cases involving issues relating to the review, analysis, renegotiation, and disposition of key real property and lease agreements.

6. In addition, A&G has worked with the Debtors prior to this filing and have acquired extensive knowledge regarding the Debtors' and their Leases

7. Accordingly, I believe A&G is well qualified to perform all of the services contemplated by the Services Agreement, and to represent the Debtors' interests in these chapter 11 cases in a cost-effective, efficient and timely manner. I believe that the Services are necessary to enable the Debtors to maximize the value of their Leases.

8. Additionally, I believe that the Services that will be provided under the Services Agreement will be complementary rather than duplicative of the services to be performed by the Debtors' other professionals retained in these chapter 11 cases. Furthermore, A&G will carry out its functions and will use reasonable efforts to coordinate with the Debtors and their other professionals retained in these chapter 11 cases to avoid any unnecessary duplication of services.

Services to be Performed

9. As set forth more fully in the Services Agreement, A&G will provide the following services for the Debtors (the "Services"):

- a. consult with the Debtors to discuss the Debtors' goals, objectives and financial parameters in relation to the Leases/Properties;
- b. negotiate with the landlords of the Properties on behalf of the Debtors in order to assist the Debtors in obtaining Lease Modifications;
- c. negotiate with the landlords of the Properties and other third parties on behalf of the Debtors in order to assist the Debtors in obtaining Early Termination Rights; and
- d. report periodically to the Debtors regarding the status of the Services.

Professional Compensation

10. Subject to the Court's approval, the Debtors will compensate A&G in accordance with the terms and conditions set forth in the Services Agreement, including Schedule B thereto. It is contemplated that A&G shall be compensated as follows:

- a. Retainer - A&G shall receive a retainer fee in the amount of one hundred and fifty thousand dollars (\$150,000) upon execution of the Services Agreement. The retainer is non-refundable and shall be applied to the fees due under the terms of the Services Agreement.
- b. Monetary Lease Modifications - For each Monetary Lease Modification obtained by A&G on behalf of the Debtors, A&G shall earn and be paid four percent (4%) of the Occupancy Cost Savings per Lease.
- c. Non-Monetary Lease Modifications - For each Non-Monetary Lease Modification obtained by A&G on behalf of the Debtors, A&G shall earn and be paid one thousand five hundred dollars (\$1,500.00) per Lease.
- d. Early Termination Rights - For each Early Termination Right obtained by A&G on behalf of the Debtors, A&G shall earn and be paid a fee of five thousand dollars (\$5,000.00).

11. In the ninety days immediately preceding the Petition Date, A&G has not received any fees from the Debtors in connection with this matter.

12. A&G also intends to seek reimbursement for its reasonable out-of-pocket expenses (including, but not limited to, legal, mailing, marketing and travel expenses) incurred in connection with its retention and performance of Services. Any reimbursable expenses shall be paid to A&G within ten (10) business days after the Debtors' receipt of an invoice.

13. I believe that the compensation structure described above and set forth in the Services Agreement is comparable to compensation generally charged by real estate advisors of similar stature to A&G for comparable engagements, both in and out of bankruptcy. Furthermore, the proposed compensation structure is also consistent with A&G's normal and customary billing practices for cases of comparable size and complexity that require the level and scope of services to be provided in these chapter 11 cases.

Payment of Compensation and Expenses

14. A&G understands that fees and expenses in these chapter 11 cases shall be subject to final approval of the Court upon proper application by A&G in accordance with procedures

for the allowance of final compensation applicable to professionals in these chapter 11 cases, and in accordance with the requirements of the Bankruptcy Code. However, inasmuch as A&G is being retained under section 328 of the Bankruptcy Code and A&G's compensation is results-oriented and directly related to the benefits received by the Debtors' estate as a result of the Lease modification transactions, A&G has informed the Debtors that it is not its practice to keep detailed time records similar to those customarily kept by attorneys and other professionals who are compensated on an hourly basis. It is standard practice in A&G's industry for professionals providing services relating to lease modifications to be compensated on a flat fee percentage basis, rather than on an incremental hourly basis, for such services. Consistent with industry practice, A&G intends to bill the Debtors on a flat fee percentage basis for the Services as set forth in the Services Agreement.

15. Therefore, A&G submits that the requirement to file detailed time records and periodic fee applications in accordance with sections 330 and 331 of the Bankruptcy Code, and in compliance with Bankruptcy Rule 2016 and the Fee Guidelines is unnecessary and burdensome under the circumstances. A&G requests that these requirements be waived. A&G, will however, file a final fee application in accordance with applicable Bankruptcy Rules, Local Rules and any other orders of this Court upon completion of their Services for review pursuant to section 328 of the Bankruptcy Code.

Disinterestedness of Professionals

16. The Debtors have numerous creditors and other parties in interest with which it maintains business relationships. In connection with the Debtors' proposed retention of A&G in these chapter 11 cases, A&G has reviewed the list of parties in interest provided by the Debtors (the "Potential Parties in Interest"). Such parties are listed on **Schedule 1** attached hereto. A&G undertook a comprehensive review of these parties to determine whether it had any conflicts or

other relationship that might cause it to not be disinterested or to hold or represent an interest adverse to the Debtors. There are no connections to disclose other than as follows: one of the co-Presidents of A&G is a former shareholder of Gordon Brothers, one of the Potential Parties in Interest, and has residual minority interest in three real estate holdings that are unrelated to these chapter 11 cases.

17. To the best of my knowledge and belief, A&G (i) does not hold any interest materially adverse to the Debtors' estates, (ii) has no connection with the Debtors, their creditors or other parties in interest herein, and (iii) is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code (as modified by section 1107(b) of the Bankruptcy Code).

18. To the best of my knowledge, information, and belief, insofar as I have been able to ascertain after reasonable inquiry, A&G has not been retained to assist any entity or person other than the Debtors on matters relating to, or in direct connection with, these chapter 11 cases, except as otherwise disclosed herein. A&G will, however, continue to provide professional services to entities or persons that may be creditors of the Debtors or Potential Parties in Interest in these chapter 11 cases, provided that such services do not relate to, or have any direct connection with, these chapter 11 cases or the Debtors.

19. Neither I nor any other professional of A&G who will work on this engagement, to the best of my knowledge after reasonable inquiry, is related or connected to the United States Bankruptcy Judge assigned to these chapter 11 cases, the United States Trustee for the Southern District of New York (the "U.S. Trustee"), or any persons employed by the U.S. Trustee.

20. As part of its diverse practice, A&G appears in numerous cases, proceedings, and transactions that involve many different professionals, including attorneys, accountants, and

financial consultants, who may represent claimants and parties in interest in these chapter 11 cases. Also, A&G has performed in the past, and may perform in the future, real estate consulting and advisory services for various attorneys and law firms, and has been represented by several attorneys and law firms, some of whom may be involved in this proceeding. In addition, A&G may have in the past, may currently, and may in the future work with or against other professionals involved in this case in matters unrelated to the Debtors and these chapter 11 cases.

21. A&G is not a “creditor” with respect to any fees and expenses of the Debtors within the meaning of section 101(10) of the Bankruptcy Code. Further, neither I nor any other member of the A&G team serving the Debtors, to the best of my knowledge, is a holder of any outstanding debt instrument of the Debtors.

22. Consequently, to the best of my knowledge, A&G is “disinterested” as that term is defined in section 101(14) of the Bankruptcy Code as modified by section 1107(b) of the Bankruptcy Code, in that:

- a. neither A&G nor any professional at A&G working on this engagement is or was a creditor, equity security holder or insider of the Debtors;
- b. neither A&G nor any professional at A&G working on this engagement is or was, within two (2) years before the commencement of these chapter 11 cases, a director, officer, or employee of the Debtors; and
- c. A&G has no interest materially adverse to the interests of the estate or of any class of creditors, by reason of any direct or indirect relationship to, connection with, or interest in the Debtors.

23. Despite the efforts described above to identify and disclose connections with the Potential Parties in Interest in these chapter 11 cases, because the Debtors are a large enterprise with numerous creditors and other relationships, A&G is unable to state with certainty that every client representation or other connection of A&G has been disclosed. If A&G discovers

additional information requiring disclosure, A&G will file supplemental disclosures with the Court as promptly as possible. A&G further understands that it has a duty to continue to check for conflicts and connections, and in the event any new facts or relationships subsequently are discovered during the pendency of these chapter 11 cases, A&G will supplement this Affidavit and file the same with the Court.

[Remainder of page intentionally left blank]

This Affidavit is provided in accordance with section 327(a) of the Bankruptcy Code and
Bankruptcy Rule 2014.

Dated: March 14, 2017
Chicago, Illinois

/s/ Michael Jerbich
MICHAEL JERBICH
