

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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 In re: : Chapter 11  
 :  
 THE WET SEAL, LLC, *et al.*, : Case No. 17-10229 (CSS)  
 :  
 Debtors.<sup>1</sup> : (Jointly Administered)  
 :  
 : Ref. Docket No. 5  
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**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE  
PREPETITION INSURANCE POLICIES, (B) PAY ALL PREPETITION  
OBLIGATIONS IN RESPECT THEREOF AND, (C) CONTINUE THEIR INSURANCE  
PREMIUM FINANCING PROGRAM, AND (II) AUTHORIZING  
BANKS TO HONOR RELATED CHECKS AND TRANSFERS**

Upon the motion (the "Motion")<sup>2</sup> of the Debtors for entry of interim and final orders, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, and Bankruptcy Rules 6003 and 6004, (i) authorizing the Debtors to (a) continue to maintain and administer prepetition insurance policies and revise, extend, renew, supplement, or change such policies, as needed, (b) pay or honor obligations outstanding on account of prepetition insurance policies, if any, and (c) continue their insurance premium financing program, and (ii) authorizing the Banks to honor related checks and transfers; and upon the First Day Declaration; and it appearing that this 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 District of Delaware, dated as of February 29, 2012; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and this Court may enter a final order consistent with Article III of the

<sup>1</sup> The Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number are as follows: The Wet Seal, LLC (2741) The Wet Seal Gift Card, LLC (3286); Mador Financing, LLC (1377). Debtors' corporate headquarters is located at 7555 Irvine Center Drive, Irvine, California 92618.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion or the First Day Declaration, as applicable.

United States Constitution; and proper and adequate notice of the Motion and the hearing thereon having been given; and it appearing that no other or further notice being necessary; and it appearing that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and this Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; 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 Debtors are authorized, but not directed, to (i) continue to maintain and perform under their Insurance Program, and (ii) revise, extend, renew, supplement, or change the Policies or enter into new policies, if necessary, in the ordinary course of business consistent with the Debtors' past practice.
3. The Debtors are authorized, but not directed, (i) to continue honoring, in the ordinary course of business, the Finance Agreement and to renew or enter into new financing agreements as the terms of the existing arrangement expires, without further order of this Court, and (ii) to pay their regular monthly installment payments under the Finance Agreement as the same become due in the ordinary course of business, *provided, however, that such payments not exceed \$50,000 in the aggregate.*
4. The Banks are authorized, when requested by the Debtors, in the Debtors' discretion, to process and honor all checks and fund transfer requests for prepetition obligations related to the Insurance Program that the Debtors are authorized to pay pursuant to this Order, regardless of whether the checks were presented or fund transfer requests were submitted before or after the Petition Date, *provided*, that funds are available in the Debtors' accounts to cover the

checks and fund transfers. The Banks are authorized to rely on the Debtors' designation of any particular check or fund transfer request to be honored.

5. The Debtors are authorized to issue postpetition checks or to effect postpetition fund transfer requests in replacement of any checks or fund transfer requests in respect of any prepetition obligations authorized in this Order that were dishonored or rejected as a consequence of the commencement of these Chapter 11 Cases.

6. Nothing herein shall alter any noticing or other obligations of the Debtors relating to any of the Policies or payment of any obligation relating to the Insurance Program.

7. Nothing in the Motion or this Order, nor as a result of any payment made pursuant to this Order, shall be deemed or construed as (i) an admission as to the validity or priority of any claim or lien against the Debtors or an approval or assumption of any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code or (ii) a waiver of the right of the Debtors, or shall impair the ability of the Debtors, to contest the validity or amount of any payment made pursuant to this Order.

8. Objections to entry of an order granting the Motion on a final basis must be filed by February 24, 2017 at 4:00 p.m. (ET) and served on: (i) proposed counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Michael R. Nestor, Esq. and Andrew L. Magaziner, Esq.; (ii) the U.S. Trustee, 844 King Street, Suite 2207, Wilmington, Delaware, 19801, Attn: Linda Casey, Esq.; and (iii) counsel to any statutory committee appointed in these Chapter 11 Cases. A final hearing, if required, on the Motion will be held on March 3, 2017 at 2:00 p.m. (ET). If no objections are filed to the Motion, this Court may enter a final order without further notice or hearing.

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

10. The Debtors shall serve this Order on the Insurance Carriers within forty-eight (48) hours of entry of this Order.

11. Bankruptcy Rule 6003(b) has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors.

12. The requirements of Bankruptcy Rule 6004(a) are hereby waived to avoid immediate and irreparable harm to the Debtors.

13. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

14. This Court shall retain jurisdiction over any and all matters arising from or related to the interpretation or implementation of this Order.

Dated: Wilmington, Delaware  
February 3, 2017

  
CHRISTOPHER S. SONTCHI  
UNITED STATES BANKRUPTCY JUDGE