

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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 In re: : Chapter 11
 :
 : Case No. 17-10229 (CSS)
 THE WET SEAL, LLC, *et al.*, :
 :
 : (Jointly Administered)
 Debtors.¹ :
 :
 : Ref. Docket No. 4
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**INTERIM ORDER (I) PROHIBITING UTILITY COMPANIES FROM
DISCONTINUING, ALTERING, OR REFUSING SERVICE,
(II) DEEMING UTILITY COMPANIES TO HAVE ADEQUATE
ASSURANCE OF PAYMENT, (III) ESTABLISHING PROCEDURES
FOR RESOLVING REQUESTS FOR ADDITIONAL ASSURANCE,
AND (IV) GRANTING RELATED RELIEF**

Upon the Motion (the "Motion")² of the Debtors for entry of this Interim Order pursuant to sections 105(a) and 366 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and Local Rule 9013-1 (i) prohibiting the Utility Companies from altering, refusing, or discontinuing Utility Services on account of unpaid prepetition invoices, including the making of demands for security deposits or accelerated payment terms, (ii) determining that the Debtors have provided each Utility Company with Adequate Assurance and (iii) establishing the Adequate Assurance Procedures; and upon consideration of the First Day Declaration and the entire record of these Chapter 11 Cases; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 1334 and 157, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and it appearing that the Motion is a core matter pursuant to 28 U.S.C. § 157(b)(2) and that

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

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

this Court may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue of these Chapter 11 Cases and of the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and adequate notice of the Motion has been given under the circumstances, and that no other or further notice need be given; and it appearing that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and after due deliberation, and good 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 on the Motion shall be held on March 3, 2017, at 2:00 p.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 Feb. 24, 2017, and shall be served on the Notice Parties. If no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without further notice or hearing.
3. The Debtors shall serve a copy of the Motion and this Interim Order on each Utility Company listed on the Utility Services List no later than two business days after the date this Interim Order is entered.
4. The Debtors are authorized to pay on a timely basis and in accordance with their prepetition practices all undisputed invoices for postpetition Utility Services provided by the Utility Companies to the Debtors.

5. No later than twenty days after the Petition Date, the Debtors shall cause the Utility Deposit to be deposited into a segregated account and held during the pendency of these Chapter 11 Cases.

6. The Utility Deposit shall constitute adequate assurance of future payment as required by section 366 of the Bankruptcy Code.

7. Until such time as this Court enters a final order on the Motion or as otherwise ordered by this Court, all Utility Companies are prohibited from altering, refusing, or discontinuing services on account of any unpaid prepetition charges, the commencement of these Chapter 11 Cases, or any perceived inadequacy of the Adequate Assurance.

8. The following Adequate Assurance Procedures are hereby approved on an interim basis:

i. Any Utility Company that objects to the Adequate Assurance must serve an Adequate Assurance Request on the (i) the Debtors, 7555 Irvine Center Drive, Irvine, CA 92618, Attn: Judd P. Tirnauer; (ii) proposed counsel to the Debtors, Young Conaway Stargatt & Taylor, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attn: Travis G. Buchanan, Esq., Kenneth A. Listwak, Esq.; and (iii) counsel to any statutory committee appointed in these Chapter 11 Cases (collectively, the "Notice Parties").

ii. Any Adequate Assurance Request must be served on the Notice Parties and must: (a) be made in writing; (b) identify the location for which Utility Services are provided; and (c) explain why the Utility Company believes the Adequate Assurance is not sufficient adequate assurance of future payment.

iii. The Debtors are authorized to resolve, in their sole discretion, any Adequate Assurance Request by mutual agreement with a Utility Company and without further order of this Court and, in connection with any such agreement, in their sole discretion, provide a Utility Company with alternative adequate assurance of payment, including cash deposits, prepayments, or other forms of security, without further order of this Court, if the Debtors believe such alternative assurance is reasonable.

iv. If the Debtors are unable to consensually resolve an Adequate Assurance Request by mutual agreement within 30 days of receipt of the Adequate Assurance Request, the Debtors shall schedule a Determination

Hearing to determine the appropriate amount of adequate assurance required with respect to such Adequate Assurance Request for the next-scheduled omnibus hearing after such 30-day period has expired. Pending resolution of such Adequate Assurance Request at the Determination Hearing, the Utility Company shall be prohibited from altering, refusing, or discontinuing services to the Debtors on account of unpaid charges for prepetition services or on account of any objections to the Adequate Assurance.

9. The Utility Companies are prohibited from requiring additional adequate assurance of payment other than pursuant to the Adequate Assurance Procedures.

10. All Utility Companies that do not serve an Adequate Assurance Request shall be: (i) deemed to have received adequate assurance of payment "satisfactory" to such Utility Company in compliance with section 366 of the Bankruptcy Code; and (ii) prohibited from discontinuing, altering, or refusing services to, or discriminating against, the Debtors on account of any unpaid prepetition charges, or requiring additional assurance of payment other than the Adequate Assurance.

11. The Debtors are authorized, in their sole discretion, to add or remove any Utility Company from the Utility Services List, and the Debtors shall add to or subtract from the Utility Deposit an amount equal to 50% of the Debtors' estimated monthly cost for each subsequently-added or removed Utility Company as soon as practicable. For Utility Companies that are added to the Utility Services List, the Debtors will serve a copy of this Interim Order, including the Adequate Assurance Procedures, on such subsequently-added Utility Company, and augment the Utility Deposit with an amount equal to 50% of the Debtors' estimated monthly cost for such added Utility Company within 20 days of its addition. Any Utility Company subsequently added to the Utility Services List shall be bound by the Adequate Assurance Procedures, provided that any subsequently-added Utility Company must serve, on the Notice Parties, any Adequate Assurance Request. The Debtors shall have authority to reduce the Utility

Deposit to reflect terminated utility service upon either (a) obtaining the affected Utility Company's consent to reduce the Utility Deposit or (b) providing such affected Utility Company with twenty-one days' notice of their intent to reduce the Utility Deposit and receiving no response thereto.

12. The relief granted herein is for all Utility Companies providing Utility Services to the Debtors listed on the Utility Services List, provided however, that this Interim Order shall be binding on any Utility Companies listed on any amended Utility Services List filed with this Court as of the date of service of the notice of the amended Utility Services List.

13. Nothing contained in the Motion, this Interim Order, nor the Debtors' service of the Motion upon the Utility Services List, shall constitute an admission or concession that each such entity is a "utility" within the meaning of section 366 of the Bankruptcy Code, and the Debtors' rights and defenses with respect thereto are fully reserved.

14. The Debtors are authorized, but not directed, to continue making payments to TSG with respect to postpetition service and administrative fees in the ordinary course of the Debtors' business.

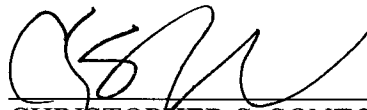
15. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or this Interim Order, or any payment made pursuant to this Interim Order shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any claim or lien against the Debtors, a waiver of the Debtors' rights to subsequently dispute such claim or lien, or the assumption or adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code.

16. 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.

17. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (i) this Interim Order shall be effective immediately and enforceable upon its entry; (ii) the Debtors are not subject to any stay in the implementation, enforcement, or realization of the relief granted in this Interim Order; and (iii) the Debtors are authorized and empowered to, and may in their discretion and without further delay, take any action necessary or appropriate to implement this Interim Order.

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

Dated: Wilmington, Delaware
February 3, 2017



CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE