

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

In re:)	Chapter 11
)	
THE WET SEAL, LLC, <i>et al.</i> , ¹)	Case No. 17- 10229 (CSS)
)	
Debtors.)	(Joint Administration Requested)
)	

**DECLARATION OF IAN FREDERICKS IN SUPPORT OF THE DEBTORS’ MOTION
FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING
THE DEBTORS TO ASSUME THE CONSULTING AGREEMENT,
(II) AUTHORIZING AND APPROVING THE CONDUCT OF STORE CLOSING
SALES, WITH SUCH SALES TO BE FREE AND CLEAR OF ALL LIENS,
CLAIMS, AND ENCUMBRANCES, AND (III) GRANTING RELATED RELIEF**

I, Ian Fredericks, hereby declare under penalty of perjury that the following is true to the best of my knowledge, information and belief:

1. I am Senior Vice President – Strategic Growth/Client Development and Chief Legal Officer of Hilco Merchant Resources, LLC (“Hilco”), located at 5 Revere Drive, Suite 206, Northbrook, Illinois.

2. I submit this declaration (the “Declaration”) in support of the following motion: *Debtors’ Motion for Interim and Final Orders (I) Authorizing the Debtors to Assume the Consulting Agreement; (II) Authorizing and Approving the Conduct of Store Closing Sales, With Such Sales to be Free and Clear of All Liens, Claims and Encumbrances; (III) Granting Related Relief* (the “Motion”).

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). The Debtors’ corporate headquarters is located at 7555 Irvine Center Drive, Irvine, California 92618.

3. The facts set forth in my Declaration are based upon my personal knowledge, information, and belief, and upon records kept in the ordinary course of business that were reviewed by me or other employees of Hilco or Hilco Trading, LLC, Hilco's parent company and managing member, under my supervision and direction. If called as a witness, I would testify to the facts set forth in this Declaration.

4. In the ordinary course of its business, Hilco and its affiliates maintain a database for purposes of performing "conflicts checks." The database contains information regarding its present and past representations and transactions. I obtained a list of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), certain of the Debtors' creditors, and other parties in interest in the above-captioned cases from Debtors' counsel for purposes of searching the aforementioned database and determining the connection(s) which Hilco or its affiliates has with such entities.

5. Hilco searched the aforementioned database for the parties in interest identified on the attached **Schedule 1**.

6. Hilco's search of the aforementioned database identified the connections listed on the attached **Schedule 2**.

7. Neither I, Hilco, nor any principal, partner, director, officer, or employee thereof, nor any professional retained by Hilco has agreed to share or will share any portion of the compensation to be received from the Debtors by Hilco with any other person other than the principals and regular employees of Hilco.

8. To the best of my knowledge, neither I, Hilco, nor any principal, partner, director, officer, or employee thereof, nor any professional retained by Hilco, insofar as I have been able to ascertain, is a creditor, equity security holder, or an insider of any of the Debtors.

9. To the best of my knowledge, neither I, Hilco, nor any principal, partner, director, officer, or employee thereof, nor any professional retained by Hilco, insofar as I have been able to ascertain, is not and was not, within two years before the date of the filing of the petition(s) herein, a director, officer or employee of any of the Debtors.

10. To the best of my knowledge, neither I, Hilco, nor any principal, partner, director, officer, or employee thereof, nor any professional retained by Hilco, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matter(s) upon which Hilco is engaged, by reason of any direct or indirect relationship to, or connection with, or interest in, the Debtors or for any other reason.

11. To the best of my knowledge, Hilco is a “disinterested person” within the meaning of section 101(14) of the Bankruptcy Code.

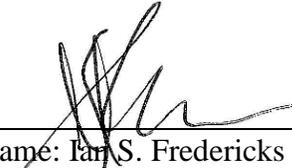
12. Hilco is conducting further inquiries regarding Hilco’s retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of Hilco’s engagement if Hilco should discover any facts bearing on the matters described herein, Hilco will supplement the information contained in this Declaration.

[SIGNATURE PAGE FOLLOWS]

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: February 9, 2017

By:



Name: Ian S. Fredericks
Title: SVP & CLO of Hilco

Schedule 1

List of Parties in Interest

Schedule 2

Disclosures

- a. Hilco employs the following individuals who previously were associated with the Bankruptcy and Corporate Restructuring section of the law firm of Young Conaway Stargatt & Taylor, LLP (“YCST”) in Wilmington, Delaware: (i) Ian S. Fredericks, Senior Vice President and Chief Legal Officer, and (ii) David Peress, Executive Vice President of Hilco IP Services, LLC, an affiliate of Hilco. While the above individuals were at YCST, the Honorable Brendan Linehan Shannon (District of Delaware) was a partner in the Bankruptcy and Corporate Restructuring section.
- b. Hilco executed a confidentiality agreement in January, 2107 with Mador Financing, LLC, one of the Debtors. Hilco IP Services, LLC (“Hilco Streambank”), an affiliate of Hilco, executed a confidentiality agreement in January, 2017 with Wet Seal, LLC.
- c. The Debtors, subject to court approval, have engaged Hilco Streambank to assist the Debtors with the disposition and monetization of the Debtors’ interests in certain intellectual property.
- d. Hilco Trading, LLC, the parent company of Hilco, is currently a defendant in an action unrelated to the Debtors and these cases for which it has filed claims with ACE American Insurance Company, and National Union Fire Insurance Company of Pittsburgh, PA.
- e. Hilco Real Estate, LLC, an affiliate of Hilco, provides lease acquisition, disposition, and restructuring services to its commercial real estate clients. In the course of providing such services, HRE may have transacted with one or more of the parties-in-interest identified as landlords of the Debtors on matters unrelated to the Debtors.
- f. In matters unrelated to the Debtors, affiliates of Hilco have confidentiality and nondisclosure agreements in place with Crystal Financial, LLC and Versa Capital Management, LLC.
- g. Hilco does not believe that the connections disclosed herein create a conflict of interest regarding the Debtors or these chapter 11 cases.
- h. Because of the magnitude of the entire creditor list in these cases, it is possible that Hilco may represent or may have represented other creditors of the Debtors but does not represent any such creditors in connection with these cases. Hilco presently or in the past has served as a professional person in other matters, wholly unrelated to the Debtors or these cases, in which other attorneys, accountants and other professionals of the Debtors, creditors, or other parties in interest may have also served or serve as professional persons.