

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

In re:)	
)	Chapter 11
LIBERATED BRANDS LLC, <i>et al.</i> , ¹)	Case No. 25-10168 (JKS)
)	
Debtors.)	(Jointly Administered)
)	Re: Docket No. 13

**INTERIM ORDER (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) APPROVING MODIFICATIONS
TO THE CUSTOMER PROGRAMS, AND (IV) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for the entry of an interim order (this “Interim Order”), (a) authorizing the Debtors to assume the Consulting Agreement, (b) authorizing and approving the initiation of the Store Closings in accordance with the terms of the Consulting Agreement (attached hereto as **Exhibit 1**) and the Sale Guidelines (attached hereto as **Exhibit 2**), with such sales to be free and clear of all liens, claims, and encumbrances, (c) approving modifications to the Customer Programs, including the Gift Card Program and Return Policy, and (d) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and the United States District Court for the District of Delaware having jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to the Court under 28 U.S.C. § 157 and the *Amended*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Liberated Brands LLC (2718); Boardriders Retail, LLC (0505); Liberated AX LLC (1537); Liberated Brands International, Inc. (4439); Liberated Brands USA LLC (3827); Liberated-Spyder LLC (9831); Volcom Retail Outlets, LLC (1493); Volcom Retail, LLC (9045); and Volcom, LLC (6919). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 1740 Monrovia Ave, Costa Mesa, CA 92627.

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

Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein, if any, at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY FOUND AND DETERMINED THAT:**³

1. The Debtors have advanced sound business reasons for assuming the Consulting Agreement and adopting the Sale Guidelines, on an interim basis subject to the Final Hearing, as set forth in the Motion and at the Hearing, and assuming the Consulting Agreement is a reasonable exercise of the Debtors' business judgement and in the best interest of the Debtors and their estates.

2. The Consulting Agreement, a copy of which is attached to this Interim Order as **Exhibit 1**, was negotiated, proposed, and entered into by the Consultant and the Debtors without collusion, in good faith and from arm's length bargaining positions.

3. The assumption of the Consulting Agreement on an interim basis is a sound

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact where appropriate. *See* Fed. R. Bankr. P. 7052.

exercise of the Debtors' business judgment.

4. The Sale Guidelines, which are attached hereto as **Exhibit 2**, are reasonable and appropriate, and the conduct of the Sales in accordance with the Sale Guidelines will provide an efficient means for the Debtors to dispose of the Store Closure Assets and are in the best interest of the Debtors' estates.

5. The relief set forth herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates and the Debtors have demonstrated good, sufficient, and sound business purposes and justifications for the relief approved herein.

6. The Store Closings and Sales are in the best interest of the Debtors' estates.

7. The Dispute Resolution Procedures are fair and reasonable and comply with applicable law.

8. The Debtors have represented that they intend to neither sell, lease, nor abandon personal identifying information pursuant to the relief requested in the Motion, although the Consultant will be authorized to distribute emails and promotional materials to the Debtors' customers consistent with the Debtors' existing policies on the use of consumer information. The Debtors have represented that they will utilize all commercially reasonable efforts to remove or cause to be removed any confidential or personal identifying information from any Store Closing Asset prior to its Sale or abandonment.

9. The entry of this Interim Order is in the best interests of the Debtors and their estates, creditors, and interest holders and all other parties in interest herein; and now therefore it is hereby **ORDERED THAT:**

1. The Motion is **GRANTED** on an interim basis as set forth herein.
2. The final hearing (the "Final Hearing") on the Motion shall be held on March 4, 2025, at 1:00 p.m., (Eastern Daylight Time). Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m. (Eastern Daylight Time) on February 25, 2025 and shall be served on: (a) the Debtors, Liberated Brands LLC, 1740 Monrovia Ave, Costa Mesa, California 92627, Attn.: General Counsel (cexon@liberatedbrands.com); (b) proposed counsel to the Debtors, (i) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com); Matthew C. Fagen, P.C. (matthew.fagen@kirkland.com); and Zachary R. Manning (zach.manning@kirkland.com), and Kirkland & Ellis LLP, 333 West Wolf Point Plaza, Chicago, Illinois, 60654, Attn.: Robert Jacobson (rob.jacobson@kirkland.com); and (ii) Klehr Harrison Harvey Branzburg LLP, 919 N. Market Street, Suite 1000, Wilmington, Delaware 19801, Attn.: Domenic E. Pacitti (dpacitti@klehr.com) and Michael W. Yurkewicz (myurkewicz@klehr.com); and Klehr Harrison Harvey Branzburg LLP, 1835 Market Street, 14th Floor, Philadelphia, Pennsylvania 19103 (mbranzburg@klehr.com); (c) counsel to the DIP Agent and the Prepetition ABL Agent, Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178-0060, Attn.: Michael Luskin (michael.luskin@morganlewis.com) and Stephan E. Hornung (stephan.hornung@morganlewis.com); and Morgan, Lewis & Bockius LLP, 1201 N. Market Street, Suite 2201, Wilmington, Delaware 19801, Attn.: Jody C. Barillare (jody.barillare@morganlewis.com); (d) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn.: Linda J. Casey (linda.casey@usdoj.gov); and (e) any statutory committee appointed in these chapter 11 cases.

3. To the extent any conflict between this Interim Order, the Sale Guidelines, and the Consulting Agreement, the terms of this Interim Order shall control over all other documents and the Sale Guidelines shall control over the Consulting Agreement.

4. The Debtors are authorized to assume and perform under the Consulting Agreement pursuant to sections 363 and 365 of the Bankruptcy Code, including (a) making payments required by the Consulting Agreement to the Consultant without the need for any application of the Consultant or a further order of the Court, (b) allowing the sale of Additional Consultant Goods, all as permitted under the Consulting Agreement.

5. Subject to the restrictions set forth in this Interim Order, the Sale Guidelines, and any Side Letters (as defined below), the Debtors and the Consultant are hereby authorized to enter into the Consulting Agreement and commence the Sales.

6. The Consulting Agreement and related documents may be modified, amended, or supplemented by the parties thereto in accordance with the terms thereof without further order of this Court, so long as (i) any such modifications, amendments, or supplements are not materially adverse to the Debtors or their estates, and (ii) the interest of the landlords under the applicable leases are not materially adversely affected, or as otherwise ordered by the Court. The Debtors are hereby authorized to enter into additional agreements in connection with any Closing Stores, or Sales related thereto, on terms materially consistent with the Debtors' historic practices.

7. Notwithstanding anything to the contrary in the Consulting Agreement, the Debtors and their estates shall not indemnify the Consultant for any damages arising out of the Consultant's fraud, willful misconduct, or gross negligence.

8. To the extent the Consultant seeks to contract with Additional Consultants, the Consultant is authorized to enter into an agreement with Additional Consultants, subject to

paragraph 43 herein.

9. The failure to include any provisions of the Consulting Agreement in this Interim Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that such provisions of the Consulting Agreement be, and hereby are, authorized and approved.

10. The Debtors are authorized, on an interim basis pending the Final Hearing, pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, to immediately conduct the Sales at the Closing Stores in accordance with this Interim Order, the Sale Guidelines, and the Consulting Agreement, as may be modified by any Side Letters (as defined below) between the Debtors or the Consultant and the landlords at the Closing Stores.

11. The Sale Guidelines are approved in their entirety on an interim basis.

12. The Debtors are authorized to discontinue operations at the Closing Stores in accordance with this Interim Order and the Sale Guidelines.

13. All entities that are presently in possession of some or all of the Store Closure Assets in which the Debtors hold an interest that are or may be subject to the Consulting Agreement or this Interim Order hereby are directed to surrender possession of such Store Closure Assets to the Debtors or the Consultant; *provided that* any such surrender shall be pursuant to an adversary proceeding to the extent that such an adversary proceeding is required under section 542 of the Bankruptcy Code.

14. Neither the Debtors nor the Consultant nor any of their officers, employees, or agents shall be required to obtain the approval of any third party, including (without limitation) any Governmental Unit (as defined under section 101(27) of the Bankruptcy Code) or landlord, to conduct the Sales and Store Closings and to take the related actions authorized herein.

15. All newspapers and other advertising media in which the Sales and Store Closings may be advertised and all landlords are directed to accept this Interim Order as binding authority so as to authorize the Debtors and the Consultant to conduct the Sales and Store Closings pursuant to the Consulting Agreement, including, without limitation, to conduct and advertise the sale of the Merchandise and FF&E in the manner contemplated by and in accordance with this Interim Order, the Sale Guidelines, and the Consulting Agreement.

16. The Debtors and Consultant are hereby authorized to take such actions as may be necessary and appropriate to implement the Consulting Agreement and to conduct the Sales and Store Closings without necessity of further order of this Court as provided in the Consulting Agreement and the Sale Guidelines (subject to any Side Letters, as defined below), including, but not limited to, advertising the sale as a “store closing sale”, “sale on everything”, “everything must go”, or similar-themed sales as contemplated in the Sale Guidelines through the posting of signs (including the use of exterior banners at non-enclosed mall closing locations, and at enclosed mall closing locations to the extent the applicable closing location entrance does not require entry into the enclosed mall common area), use of signwalkers, A-frames, and other street signage, as contemplated in the Sale Guidelines.

17. Except as expressly provided in the Consulting Agreement and the Sale Guidelines, the sale of the Merchandise and FF&E shall be conducted by the Debtors and the Consultant notwithstanding any restrictive provision of any lease, sublease, restrictive covenant, or other agreement relative to occupancy affecting or purporting to restrict the conduct of the Store Closings or the Sales (including the sale of the Merchandise and FF&E), abandonment of assets, or “going dark” provisions shall not be enforceable in conjunction with the Store Closings or the Sales. Breach of any such provisions in these chapter 11 cases in conjunction with the Store

Closings or the Sales shall not constitute a default under a lease or provide a basis to terminate the lease; *provided* that the Store Closings and Sales are conducted in accordance with the terms of this Interim Order, any Side Letter (as defined below), and the Sale Guidelines. The Debtors, the Consultant, and the landlords of the Closing Stores are authorized to enter into agreements (“Side Letters”) between themselves modifying the Sale Guidelines without further order of the Court, and such Side Letters shall be binding as among the Debtors, the Consultant, and any such landlords. In the event of any conflict between the Sale Guidelines, the Consulting Agreement, any Side Letter, and this Interim Order, the terms of such Side Letter shall control.

18. Except as expressly provided for herein or in the Sale Guidelines, no person or entity, including, but not limited to, any landlord, subtenant, licensor, service providers, utilities, or creditors, shall take any action to directly or indirectly prevent, interfere with, or otherwise hinder consummation of the Store Closings, the Sales, or the sale of the Store Closure Assets, or the advertising and promotion (including the posting of signs and exterior banners or the use of sign-walkers) of such sales, as applicable, and all such parties and persons and entities of every nature and description, including, but not limited to, any landlord, subtenant, licensor, service providers, utilities, and creditors and all those acting for or on behalf of such parties, are prohibited and enjoined from (a) interfering in any way with, obstructing, or otherwise impeding, the conduct of the Store Closings and the Sales, and/or (b) instituting any action or proceeding in any court (other than in the Bankruptcy Court) or administrative body seeking an order or judgment against, among others, the Debtors, the Consultant, or the landlords at the closing locations that might in any way directly or indirectly obstruct or otherwise interfere with or adversely affect the conduct of the Sales or sale of the Store Closure Assets or other liquidation sales at the closing locations or seek to recover damages for breach(es) of covenants or provisions in any lease, sublease, license,

or contract based upon any relief authorized herein.

19. In accordance with and subject to the terms and conditions of the Consulting Agreement, the Consultant shall have the right to use the Closing Stores and all related Closing Store services, furniture, fixtures, equipment, and other assets of the Debtors for the purpose of conducting the Sales, free of any interference from any entity or person, subject to compliance with the Sale Guidelines and this Interim Order, as may be modified by any Side Letters.

20. All in-store sale of Store Closure Assets and the Additional Consultant Goods shall be “as is” and final as of the Sale Commencement Date. Conspicuous signs stating that “all sales are final” and “as is” will be posted at the point-of-sale areas at all Closing Stores. As to the Closing Stores, all state and federal laws relating to implied warranties for latent defects shall be complied with and are not superseded by the sale of said goods or the use of the terms “as is” or “final sales.”

21. The Consultant shall not be liable for sales taxes except as expressly provided in the Consulting Agreement and the payment of any and all sales taxes is the responsibility of the Debtors. The Debtors are directed to remit all taxes arising from the Sales to the applicable Governmental Units as and when due; *provided* that in the case of a *bona fide* dispute the Debtors are only directed to pay such taxes upon the resolution of such dispute, if and to the extent that the dispute is decided in favor of the applicable Governmental Unit. For the avoidance of doubt, sales taxes collected and held in trust by the Debtors shall not be used to pay any creditor or any other party, other than the applicable Governmental Unit for which the sales taxes are collected. The Consultant shall collect, remit to the Debtors, and account for sales taxes as and to the extent provided in the Consulting Agreement. This Interim Order does not enjoin, suspend, or restrain the assessment, levy, or collection of any tax under state, provincial, or federal law, and does not

constitute a declaratory judgment with respect to any party's liability for taxes under state, provincial or federal law.

22. Pursuant to section 363(f) of the Bankruptcy Code, the Consultant, on behalf of the Debtors, is authorized to sell the Store Closure Assets and all sales of Store Closure Assets, whether by the Consultant or the Debtors, shall be free and clear of any and all liens, claims, encumbrances, and other interests (as may be modified by any Side Letter); *provided, however*, that any such liens, claims, encumbrances, and other interests shall attach to the proceeds of the sale of the Store Closure Assets with the same validity, in the amount, with the same priority as, and to the same extent that any such liens, claims, and encumbrances have with respect to the Store Closure Assets, subject to any claims and defenses that the Debtors may possess with respect thereto and the Consultant's fees and expenses (as provided in the Consulting Agreement).

23. The Debtors or the Consultant (as the case may be) are authorized to transfer Store Closure Assets among, and into, the Closing Stores in accordance with the Sale Guidelines, as applicable. The Consultant is authorized to sell the Debtors' FF&E and may direct the Debtors to abandon the same, in each case, as provided for and in accordance with the terms of the Consulting Agreement and the Sale Guidelines.

24. The Consultant is authorized to supplement the Merchandise in the Sales with Additional Consultant Goods as provided for in the Consulting Agreement. The Consultant shall bear all out-of-pocket costs and expenses related to the procurement and delivery of the Additional Consultant Goods to the Closing Stores. Sales of Additional Consultant Goods shall be run through the Debtors' cash register systems; *provided, however*, that the Consultant shall mark the Additional Consultant Goods using either a "dummy" SKU or department number, or in such other manner so as to distinguish the sale of Additional Consultant Goods from the sale of Merchandise.

The Consultant and Debtors shall cooperate to ensure that the Additional Consultant Goods are marked in such a way that a reasonable consumer could identify the Additional Consultant Goods from the Merchandise. The Consultant shall provide signage in the Stores notifying customers that the Additional Consultant Goods have been included in the Sale. Absent the Debtors' written consent, and the Consultant's agreement to reimburse the Debtors for any associated expenses, the Consultant shall not use the Debtors' distribution centers for any Additional Consultant Goods.

25. The Consultant shall pay the Debtors an amount equal to five percent (5%) of the gross proceeds (excluding Sale Taxes) from the Sale of the Additional Consultant Goods (the "Additional Consultant Goods Fee"). The Consultant shall retain all remaining amounts from the sale of the Additional Consultant Goods.

26. All transactions relating to the Additional Consultant Goods are, shall be construed as, and are acknowledged by the Debtors to be, a true consignment from the Consultant to the Debtors under Article 9 of the Uniform Commercial Code (the "UCC") and not a consignment for security purposes. Subject solely to Consultant's obligations to pay to the Debtors the Additional Consultant Goods Fee, at all times and for all purposes the Additional Consultant Goods and their proceeds shall be the exclusive property of the Consultant, and no other person or entity (including, without limitation, the Debtors, or any third person claiming a security interest in the Debtors' property, including any of the Debtors' secured lenders) shall have any claim against any of the Additional Consultant Goods or the proceeds thereof.

27. The Additional Consultant Goods shall at all times remain subject to the exclusive control of the Consultant. The Debtors shall, at the Consultant's sole cost and expense, insure the Additional Consultant Goods and, if required, promptly file any proofs of loss with regard thereto. The Consultant shall be responsible for payment of any deductible under any such insurance in the

event of any casualty affecting the Additional Consultant Goods.

28. The Consultant is hereby granted a first-priority security interest in and lien upon (a) the Additional Consultant Goods and (b) the Additional Consultant Goods proceeds, and the Consultant is hereby authorized to deliver all required notices and file all necessary financing statements and amendments thereof.

29. Notwithstanding anything to the contrary in this Interim Order, the Debtors shall not sell or abandon any property that the Debtors know is not owned by the Debtors; *provided that* the Debtors will either (a) provide for the return of such property to the Debtors' headquarters or (b) return such property to the applicable lessor, or other owner of the property.

30. Neither the Sale Guidelines, Consulting Agreement, nor this Interim Order authorize the Debtors to transfer or sell to Consultant or any other party the personal identifying information (which means information that alone or in conjunction with other information identifies an individual, including but not limited to an individual's first name (or initial) and last name, physical address, electronic address, telephone number, social security number, date of birth, government-issued identification number, account number, and credit or debit card number) of any customers unless such sale or transfer is permitted by the Debtors' privacy policy and state, provincial or federal privacy and/or identity theft prevention laws and rules (collectively, the "Applicable Privacy Laws").

31. The Consultant may use the Debtors' customer lists and mailing lists in accordance with the Consulting Agreement solely for purposes of advertising and promoting the Sales.

32. Because the Debtors will not be selling or releasing personally identifiable information in the course of the Sales, the appointment of a consumer privacy ombudsman is not required under the Bankruptcy Code, subject to the final order.

33. The Debtors shall remove or cause to be removed any confidential and/or personal identifying information in any of the Debtors hardware, software, computers, or cash registers or similar equipment which are to be sold or abandoned so as to render the personal identifying information unreadable or undecipherable. At the conclusion of the Sales, the Consultant shall provide the Debtors with written verification that the Consultant has not removed, copied, or transferred any customer personal identifying information and that any records containing personal identifying information were shredded, erased, or otherwise modified to render the personal identifying information unreadable or undecipherable.

34. Nothing herein shall limit the Debtors' right to suspend, postpone, or discontinue a Sale at a Closing Store on notice to affected parties.

35. Nothing herein is intended to affect any rights of any applicable Government Unit to enforce any law affecting the Debtors' conduct of any store closing sale that occurred before the Petition Date.

36. Nothing in this Interim Order, the Consulting Agreement, the Sale Guidelines, or any Side Letter releases, nullifies, or enjoins the enforcement of any liability to a Governmental Unit under environmental laws or regulations (or any associated liabilities for penalties, damages, cost recovery, or injunctive relief) to which any entity would be subject as the owner, lessor, lessee, or operator of the property after the date of entry of this Interim Order.

37. Nothing contained in this Interim Order, the Consulting Agreement, the Sale Guidelines, or any Side Letter shall in any way: (a) diminish the obligation of any entity to comply with environmental laws; or (b) diminish the obligations of the Debtors to comply with environmental laws consistent with their rights and obligations as debtors in possession under the Bankruptcy Code. The Sales shall not be exempt from laws of general applicability, including,

without limitation, public health and safety, criminal, tax, (including, but not limited to, the collection of sales taxes), labor, employment, environmental, antitrust, fair competition, traffic and consumer protection laws, including consumer laws regulating deceptive practices and false advertising, consumer protection, the sale of gift certificates, layaway programs, return of goods, express or implied warranties of goods, and “weights and measures” regulation and monitoring (collectively, “General Laws”). Nothing in this Interim Order, the Consulting Agreement, the Sale Guidelines, or any Side Letter shall alter or affect obligations to comply with all applicable federal safety laws and regulations. Nothing in this Interim Order shall be deemed to bar any Governmental Unit (as such term is defined in section 101(27) of the Bankruptcy Code) from enforcing General Laws in the applicable non bankruptcy forum, subject to the Debtors’ rights to assert in that forum or before this Court, that any such laws are not in fact General Laws or that such enforcement is impermissible under the Bankruptcy Code or this Interim Order. Notwithstanding any other provision in this Interim Order, no party waives any rights to argue any position with respect to whether the conduct was in compliance with this Interim Order and/or any applicable law, or that enforcement of such applicable law is preempted by the Bankruptcy Code. Nothing in this Interim Order shall be deemed to have made any rulings on any such issues.

38. To the extent that the sale of Store Closure Assets is subject to any Liquidation Sale Laws, the following provisions of this paragraph 38 shall apply and control over any Side Letters:

- (a) Provided that the Sales are conducted in accordance with the Interim Order, any Final Order, and the Sale Guidelines, the Debtors, the Consultant, and the Debtors’ landlords shall be deemed to be in compliance with any requirements of all county, parish, or municipal or other local government (hereinafter referred to as “Local”) and State Liquidation Laws establishing licensing or permitting requirements, waiting periods or time limits, or bulk sale restrictions that would otherwise apply to the Sales and sales of the Store Closure Assets of any state or local Governmental Unit (as defined in Bankruptcy Code section 101(27)); *provided* that the term “Liquidation Sale Laws” shall be deemed not to include any public health or safety laws of any state (collectively, “Safety Laws”), and the Debtors and the Consultant

shall continue to be required to comply, as applicable, with such Safety Laws and General Laws, subject to any applicable provision of the Bankruptcy Code and federal law, and nothing in this Order shall be deemed to bar Governmental Units (as defined in section 101(27) of the Bankruptcy Code) or public officials from enforcing Safety Laws or General Laws.

- (b) Within two (2) business days after entry of the Interim Order, the Debtors will serve by first class mail, copies of the Interim Order, the proposed Final Order, and the Sale Guidelines on the following: (a) the Attorney General’s office for each state where the Sales are being held; (b) the county consumer protection agency or similar agency for each county where the Sales are being held; (c) the division of consumer protection for each state where the Sales are being held; and (d) the landlords for the Closing Stores (collectively, the “Dispute Notice Parties”).
- (c) To the extent that there is a dispute arising from or relating to the Sales, the Orders, or the Sale Guidelines, which dispute relates to any Liquidation Sale Laws (a “Reserved Dispute”), the Bankruptcy Court shall retain exclusive jurisdiction to resolve the Reserved Dispute. Any time within ten (10) days following entry of the Interim Order, any party wishing to submit a Reserved Dispute (a “Disputing Party”) may assert that a Reserved Dispute exists by sending a notice (the “Dispute Notice”) explaining the nature of the dispute to: (a) the Debtors, Liberated Brands LLC, 1740 Monrovia Ave, Costa Mesa, California 92627, Attn.: General Counsel (cexon@liberatedbrands.com); (b) proposed counsel to the Debtors, (i) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com); Matthew C. Fagen, P.C. (matthew.fagen@kirkland.com); and Zachary R. Manning (zach.manning@kirkland.com), and Kirkland & Ellis LLP, 333 West Wolf Point Plaza, Chicago, Illinois, 60654, Attn.: Robert Jacobson (rob.jacobson@kirkland.com); and (ii) Klehr Harrison Harvey Branzburg LLP, 919 N. Market Street, Suite 1000, Wilmington, Delaware 19801, Attn.: Domenic E. Pacitti (dpacitti@klehr.com) and Michael W. Yurkewicz (myurkewicz@klehr.com); and Klehr Harrison Harvey Branzburg LLP, 1835 Market Street, 14th Floor, Philadelphia, Pennsylvania 19103 (mbranzburg@klehr.com); (c) counsel to the DIP Agent and the Prepetition ABL Agent, Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178, Attn.: Michael Luskin (michael.luskin@morganlewis.com) and Stephan E. Hornung (stephan.hornung@morganlewis.com); and Morgan, Lewis & Bockius LLP, 1201 N. Market Street, Suite 2201, Wilmington, Delaware 19801, Attn.: Jody C. Barillare (jody.barillare@morganlewis.com); (d) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn.: Linda J. Casey (linda.casey@usdoj.gov); (e) Gordon Brothers Retail Partners, LLC, Gordon Brothers Commercial & Industrial, LLC, and Gordon Brothers Realty Services, LLC, 101 Huntington Avenue, 11th Floor, Boston, Massachusetts 02199; (f) affected landlords at the notice address in the lease and their counsel of record (if known); and (g) any statutory committee appointed in these chapter 11 cases. If the Debtors and the Disputing Party are unable to resolve the Reserved Dispute

within fifteen (15) days after service of the notice, the Disputing Party may file a motion with the Bankruptcy Court requesting that the Bankruptcy Court resolve the Reserved Dispute (a “Dispute Resolution Motion”).

- (d) In the event that a Dispute Resolution Motion is filed, nothing in the Interim Order or the Final Order, as applicable, shall preclude the Debtors, a landlord, or any other interested party from asserting (A) that the provisions of any Liquidation Sale Laws are preempted by the Bankruptcy Code, or (B) that neither the terms of the Interim Order or the Final Order nor the conduct of the Debtors pursuant to the Interim Order or the Final Order, violates such Liquidation Sale Laws. Filing a Dispute Resolution Motion as set forth herein shall not be deemed to affect the finality of the Interim Order or the Final Order or to limit or interfere with the Debtors’ or the Consultant’s ability to conduct or to continue to conduct the Sales pursuant to the Interim Order or the Final Order, as applicable, absent further order of the Bankruptcy Court. Upon the entry of this Interim Order or the Final Order, the Debtors and the Consultant shall be authorized to conduct the Sales pursuant to the terms of this Interim Order or the Final Order, the Consulting Agreements, and the Sale Guidelines and to take all actions reasonably related thereto or arising in connection therewith. The Disputing Party will be entitled to assert any jurisdictional, procedural, or substantive arguments it wishes with respect to the requirements of its Liquidation Sale Laws or the lack of any preemption of such Liquidation Sale Laws by the Bankruptcy Code. Nothing in this Interim Order or the Final Order will constitute a ruling with respect to any issues to be raised in any Dispute Resolution Motion.
- (e) If, at any time, a dispute arises between the Debtors and/or the Consultant and a Governmental Unit as to whether a particular law is a Liquidation Sale Law, and subject to any provisions contained in this Interim Order or the Final Order related to the Liquidation Sale Laws, then any party to that dispute may utilize the provisions of subparagraphs (c) and (d) above by serving a notice to the other party and proceeding thereunder in accordance with those paragraphs. Any determination with respect to whether a particular law is a Liquidation Sale Law shall be made *de novo*.

39. Subject to paragraphs 36 and 37 above, each and every federal, state, or local agency, department, or Governmental Unit with regulatory authority over the Store Closings or the Sales and all newspapers and other advertising media in which the Sales are advertised shall consider this Interim Order as binding authority that no further approval, license, or permit of any Governmental Unit shall be required, nor shall the Debtors or the Consultant be required to post any bond, to conduct the Sales.

40. Provided that the Sales are conducted in accordance with the terms of this Interim

Order, the Consulting Agreement, and the Sale Guidelines (as may be modified by Side Letters) and in light of the provisions in the laws that exempt court-ordered sales from their provisions, the Debtors and the Consultant shall be presumed to be in compliance with any Liquidation Sale Laws and are authorized to conduct the Store Closings and the Sales in accordance with the terms of this Interim Order and the Sale Guidelines (as may be modified by Side Letters) without the necessity of further showing compliance with any such Liquidation Sale Laws.

41. Notwithstanding anything to the contrary herein, in view of the importance of the use of sign-walkers, banners, and other advertising to the Sales and the Store Closings, to the extent that disputes arise during the course of the Sales regarding laws regulating the use of sign-walkers, banners, or other advertising and the Debtors and the Consultant are unable to resolve the matter consensually, any party may request an immediate hearing with this Court. Such hearing will, to the extent practicable and subject to the Court's availability, be scheduled initially no later than the earlier of (a) the Final Hearing or (b) within three (3) business days of such request. This scheduling procedure shall not be deemed to preclude additional hearings for the presentation of evidence or arguments as necessary.

42. Neither the Consultant nor any of its respective affiliates (whether individually, as part of a joint venture, or otherwise), shall be precluded from providing additional services to the Debtors or bidding on the Debtors' assets in connection with any other future process that may or may not be undertaken by the Debtors to close stores; *provided that* any such services and/or transactions are approved by separate order of the Court.

43. Not later than seven (7) days prior to the objection deadline related to entry of an order approving the Motion on a final basis, the Consultant shall file a declaration disclosing connections to the Debtors, their creditors, and other parties in interest in these chapter 11 cases,

and all parties who have filed requests for service under Bankruptcy Rule 2002, by email, or if the email address is not available to the Debtors, then by first class mail. Any Additional Consultants shall likewise file a declaration disclosing connections to the Debtors, their creditors, and other parties in interest in these chapter 11 cases, and all parties who have filed requests for service under Bankruptcy Rule 2002, by email, or if the email address is not available to the Debtors, then by first class mail.

44. The Consultant shall act solely as consultant to the Debtors and shall not be liable for any claims against the Debtors other than as expressly provided in the Consulting Agreement (including the Consultant's indemnity obligations thereunder) or the Sale Guidelines, with the exception of acts of gross negligence or willful misconduct and, for greater certainty, the Consultant shall not be deemed to be an employer, or a joint or successor employer or a related or common employer or payor within the meaning of any legislation governing employment or labor standards or pension benefits or health and Safety or other statute, regulation or rule of law or equity for any purpose whatsoever, and shall not incur any successor liability whatsoever.

45. The Debtors are authorized and permitted to transfer to the Consultant personal information in the Debtors' custody and control solely for the purposes of assisting with and conducting the Sales and only to the extent necessary for such purposes; *provided* that the Consultant removes such personal information from the FF&E prior to the abandonment of the same.

46. To the extent the Debtors are subject to any Fast Pay Laws in connection with the Store Closings, the Debtors shall be presumed to be in compliance with such laws to the extent, in applicable states, such payroll payments are made by the later of: (a) the Debtors' next regularly scheduled payroll; and (b) seven (7) calendar days following the termination date of the relevant

employee, and in all such cases consistent with, and subject to, any previous orders of this Court regarding payment of same.

47. For the duration of the Gift Card Period, the Debtors will continue to accept the Debtors' validly-issued Gift Cards issued prior to January 31, 2025, in their e-commerce business or in-stores in the ordinary course of business. After the expiration of the Gift Card Period, the Gift Cards will no longer be accepted by the Debtors and deemed to have no remaining value. Notwithstanding any policy or state law to the contrary, the Gift Cards are not redeemable for cash at any time. For the avoidance of doubt, Gift Cards cannot be used during the Gift Card Period to purchase Additional Consultant Goods or FF&E.

48. To the extent a purchase made before January 31, 2025 is eligible for a return, the Debtors shall accept returns of merchandise sold by the Debtors in the ordinary course of business in exchange for store credit only; *provided* that such return is in compliance with the Return Policy in effect as of the date such item was purchased and the customer is not repurchasing the same item so as to take advantage of the sale price being offered.

49. As of January 31, 2025, Loyalty Points will no longer be earned on new purchases either online or in-store. For the first fourteen (14) days from the Sale Commencement Date of a Closing Store, Loyalty Points earned prior to the discontinuation of the Loyalty Program will be valid and redeemable. Thereafter, Loyalty Points will no longer be accepted by the Debtors and deemed to have no remaining value.

50. Notwithstanding anything herein, all state and federal laws relating to implied warranties for latent defects shall be complied with and are not superseded by the sale of said goods or the use of the terms "as is" or "final sales." The Debtors shall accept return of any goods purchased during the Store Closings that contain a defect which the lay consumer could not

reasonably determine was defective by visual inspection prior to purchase for a full refund; *provided* that the consumer must return the merchandise within the applicable time period set forth herein of their purchase, the consumer must provide a receipt for the purchase to the Debtors, and the asserted defect must in fact be a “latent” defect, which goods shall not be resold by the Debtors.

51. Notwithstanding anything to the contrary in the Motion or the Consulting Agreement, the Incentive Fee shall only be paid to Consultant by the Debtors after all obligations under the Prepetition ABL Credit Agreement and the DIP ABL Credit Agreement are repaid in full. For the avoidance of doubt, this paragraph 51 does not otherwise alter the Consulting Fee set forth in the Consulting Agreement, which shall be due and payable in accordance with section 4(E) of the Consulting Agreement.

52. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief (including any payment made in accordance with this Interim Order), nothing in this Interim Order is intended as or shall be construed or deemed to be: (a) an implication or admission as to the amount of, basis for, or validity of any particular claim against the Debtors under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors’ or any other party in interest’s rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim, or otherwise of a type specified or defined in this Interim Order or the Motion or any order granting the relief requested by the Motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors’ estates; (g) a waiver or limitation of the Debtors’ or any

other party in interest's claims, causes of action, or other rights under the Bankruptcy Code or any other applicable law; (h) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code; (i) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens; (j) a waiver of the obligation of any party in interest to file a proof of claim; or (k) otherwise affecting the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease. Any payment made pursuant to this Interim Order is not intended and should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

53. The Debtors have demonstrated that the requested relief is "necessary to avoid immediate and irreparable harm," as contemplated by Bankruptcy Rule 6003.

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

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

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

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

58. This Court retains jurisdiction with regard to all issues or disputes relating to this Interim Order or the Consulting Agreement, including, but not limited to, (a) any claim or issue relating to any efforts by any party or person to prohibit, restrict or in any way limit banner and sign-walker advertising, including with respect to any allegations that such advertising is not being conducted in a safe, professional, and non-deceptive manner, (b) any claim of the Debtors, the landlords and/or the Consultant for protection from interference with the Store Closings or Sales, (c) any other disputes related to the Store Closings or Sales, and (d) protect the Debtors and/or the Consultant against any assertions of any liens, claims, encumbrances, and other interests. No such parties or person shall take any action against the Debtors, the Consultant, the landlords, the Store Closings, or the Sales until this Court has resolved such dispute. This Court shall hear the request of such parties or persons with respect to any such disputes on an expedited basis, as may be appropriate under the circumstances.

Dated: February 5th, 2025
Wilmington, Delaware


J. KATE STICKLES
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Consulting Agreement



Gordon Brothers

Dated as of January 17, 2025

To: Liberated Brands LLC
1740 Monrovia Ave
Costa Mesa, CA 92627

From: Gordon Brothers Retail Partners, LLC
Gordon Brothers Commercial & Industrial, LLC
Gordon Brothers Realty Services, LLC
101 Huntington Avenue, 11th Floor
Boston, MA 02199

Re: Asset Disposition Consulting Agreement

Ladies and Gentlemen:

This letter shall serve as the agreement between a contractual joint venture comprised of Gordon Brothers Retail Partners, LLC, Gordon Brothers Commercial & Industrial, LLC and Gordon Brothers Realty Services, LLC (collectively, “Consultant”) and the North American operating subsidiaries of Liberated Brands LLC (“Merchant” and together with Consultant, the “Parties”) pursuant to which Consultant shall serve as the exclusive consultant to Merchant in connection with the marketing, sale and disposition (the “Sale”) of the Assets (as defined below), subject to the terms and conditions set forth herein. This Agreement shall become effective on the date hereof (the “Effective Date”). To the extent not finalized on the Effective Date, the Parties shall mutually agree in writing on the forms of exhibits to be attached hereto.

1. **RETENTION.** Merchant hereby retains Consultant as its exclusive, independent consultant to conduct the Sale and provide the following services during the Sale Term:
 - (i) Recommend appropriate strategies to effectively sell or otherwise monetize (a) all merchandise currently located in or to be delivered to the Merchant’s retail stores identified on **Exhibit A** attached hereto (each a “Store” and collectively, the “Stores”) and the Merchant’s distribution center locations identified on **Exhibit B** attached hereto (collectively, the “Distribution Facilities”), (b) furniture, fixtures and equipment in the Stores and the Distribution Facilities, (c) interests in real property leases, including, but not limited to, those related to the Stores and Distribution Facilities and identified on **Exhibit C** attached hereto (each a “Lease” and collectively, the “Leases”), and (d) such other assets of the Merchant that it is entitled to sell in accordance with its license agreements.

- (ii) Recommend appropriate point-of-purchase, point-of-sale or other internal and external advertising in connection with the sale of goods from the Stores and Distribution Facilities;
- (iii) Provide qualified supervision to oversee the conduct of the Sale;
- (iv) Maintain focused and constant communication with Merchant's store-level employees and managers to keep them abreast of strategy and timing and to properly effect store-level communication by Merchant's employees to customers and others about the Sale;
- (v) Establish and monitor accounting functions for the Sale, and provide regular sales reporting and expense monitoring to the extent not otherwise readily obtainable from Merchant's systems;
- (vi) Coordinate with Merchant so that the operation of the Stores is being properly maintained including ongoing customer service and housekeeping activities;
- (vii) Recommend appropriate staffing levels for the Stores and appropriate bonus and/or incentive programs (to be funded by Merchant) for Store-level employees;
- (viii) Advise Merchant with respect to the legal requirements of effecting the sale of goods from the Stores as a "store closing," "going out of business," "everything must go," "sale on everything" or other mutually agreed upon theme in compliance with applicable state and local "going out of business" laws;
- (ix) Mutually agree with the Merchant with respect to a strategic plan for assigning or terminating the Leases (the "Real Estate Strategic Plan");
- (x) On the Merchant's behalf, negotiate the terms of assignment and termination agreements with third parties and the landlords under the Leases, in accordance with the Real Estate Strategic Plan;
- (xi) Assist the Merchant in closing the Lease assignment and termination agreements;
- (xii) Develop an advertising and marketing plan, prepare all marketing materials, and, as applicable, assist Merchant in the negotiation and execution of transactions involving the Assets;
- (xiii) Accept or reject offers to purchase the Assets in consultation with Merchant and negotiate the terms and conditions of any sales thereof;
- (xiv) In consultation with Merchant, develop a plan for allocating merchandise to be sold to retail customers from the Stores and merchandise to be sold to wholesale customers; and
- (xv) Perform such other related services deemed by Consultant to be necessary or prudent to facilitate the Sale.

2. SALE TERM; VACATING STORES AND DISTRIBUTION FACILITIES

(A) The “Sale Term” shall begin and conclude on dates to be mutually agreed upon in writing by the Parties following the Effective Date; provided, that solely with respect to the sale of Merchandise to wholesale customers (the “Wholesale Sale”) the Sale Term shall begin on the Effective Date. The Parties may mutually agree in writing to amend the Sale Term with respect to any one or more Stores, Distribution Facilities or categories of Assets.

(B) Upon the conclusion of the Sale Term, Consultant shall leave such locations in broom clean condition, subject to Consultant’s right pursuant to Section 6 below to abandon in a neat and orderly manner all unsold Offered FF&E and all Retained FF&E.

3. EXPENSES

(A) Merchant shall be responsible for all expenses incident to the conduct of the Sale and the operation of the Stores and Distribution Facilities during the Sale Term, including without limitation all Consultant Controlled Expenses (defined below), all Store-level and corporate expenses associated with the Sale and costs associated with software and other operational systems and payroll for personnel needed to administer the Sale.

(B) Consultant will advance funds for certain expenses associated with the Sale (“Consultant Controlled Expenses”). Merchant shall reimburse Consultant for Consultant Controlled Expenses incurred by Consultant in connection with each weekly reconciliation contemplated by Section 5(B), subject to the budget attached as Exhibit D (the “Budget”). The Parties may from time to time, including through email correspondence, mutually agree in writing to amend the Budget based upon circumstances of the Sale. All Consultant Controlled Expenses, to the extent not previously reimbursed during the Sale Term, shall be reimbursed in connection with the Final Reconciliation pursuant to Section 5(B) below. In addition to, and not as part of, the Consultant Controlled Expenses, Merchant shall reimburse Consultant for its reasonable and documented legal fees and expenses incurred in connection with a bankruptcy proceeding involving Merchant and the negotiation of any “side letters” with landlords of the Stores or Distribution Facilities.

4. CONSULTANT COMPENSATION

(A) **Definitions.** As used herein, the following terms shall have the following meanings:

(i) “Assets” means Merchandise, Offered FF&E, and Leases sold in accordance with this Agreement.

(ii) “Gross Proceeds” means the gross proceeds and any claim waivers received from the sale or disposition of the Assets (including as a result of the redemption of any gift card, gift certificate, merchandise credit), net only of sales taxes or other applicable transfer taxes actually incurred by Merchant.

(iii) “Merchandise” shall mean all goods actually sold in the Stores or through the wholesale channel during the Sale Term (excluding (i) fulfillment of existing orders identified by the Merchant in writing to Consultant on or before the Effective Date and (ii)



sale of any goods to the applicable licensor of such Merchandise or to any successor licensee designated by such licensor), the aggregate amount of which shall be determined using the gross rings inventory taking method.

(iv) “Total Gross Proceeds” means the sum of all Gross Proceeds from all Assets included in the Sale.

(v) “Total Net Proceeds” means Total Gross Proceeds *minus* expenses incurred in connection with the liquidation of the Assets.

(B) **Work Fee.** No more than two (2) business days following the execution of this Agreement, Merchant shall pay Consultant a work fee in the amount of \$400,000 (the “Work Fee”). The Work Fee shall be fully earned upon receipt and non-refundable. Notwithstanding the non-refundable nature of the Work Fee, Gordon Brothers will credit the full amount of the Work Fee against the Consultant Fee payable by Merchant to Gordon Brothers under this Agreement. The credit will be applied to the Consultant Fee as it comes due until the total amount of the Work Fee has been fully utilized. For the avoidance of doubt, (i) the Work Fee will not be credited against the Consultant Controlled Expenses and (ii) Merchant is responsible for the payment of any portion of the Consultant Fee that exceeds the amount of the Work Fee.

(C) **Consultant Fee.** In consideration of its services hereunder, Consultant shall receive the following fees, calculated as a percentage of Gross Proceeds from the sale of Assets based on the category of Assets (collectively, the “Base Fee”).

Asset	Base Fee (% of Gross Proceeds)
Merchandise (Retail)	2.00%
Merchandise (Wholesale)	7.50%
Offered FF&E	15.00%
Leases	6.50%

Upon recovery of Total Net Proceeds sufficient to repay in full all “Obligations” under that certain credit facility by and between Merchant, as borrower, and J.P. Morgan as agent and lender (such amount, the “Recovery Threshold”), Merchant shall pay Consultant an incentive-based fee (in addition to the Base Fee) in an amount equal to 20% of the amount of Total Gross Proceeds in excess of the Recovery Threshold (the “Incentive Fee” and, together with the Base Fee, the “Consultant Fee”).

For the avoidance of doubt, Consultant shall earn a Consultant Fee in connection with all sales to wholesale customers immediately following the Effective Date (i.e., during the Sale Term with respect to the Wholesale Sale); provided, that Consultant shall not earn any Consultant Fee on account of Merchant’s fulfillment of orders existing as of the Effective Date which are identified in writing to Consultant on or before the Effective Date.

In consideration of the fees payable hereunder, during the period from Effective Date until the start of the Sale Term for all aspects of the Sale other than the Wholesale Sale (the “Pre-Sale Period”), Consultant will work with Merchant to take all actions necessary to prepare for the Sale for no additional compensation, including without limitation, advising on inventory channel planning, employee incentive program and communication plan and ordinary course promotions and discounts.

(D) **Gross Rings.** For purposes of calculating Gross Proceeds for sales of Merchandise from the Stores, the Parties shall use the “gross rings” method, whereby Consultant and Merchant shall jointly keep (i) a strict count of gross register receipts less applicable sales taxes, and (ii) cash reports of sales within each Store. Register receipts shall show for each item sold the retail price (as reflected on Merchant's books and records) for such item, and the markdown or other discount granted in connection with such sale. All such records and reports shall be made available to Consultant and Merchant during regular business hours upon reasonable notice.

(E) **Weekly Payments.** On a weekly basis in connection with the weekly reconciliations contemplated by Section 5(C) below, Merchant shall pay Consultant (i) an amount equal to the Consultant Fee payable on account of the prior week's sales as an advance towards the total Consultant Fee; and (ii) all gross proceeds from Additional Consultant Goods. The parties shall determine the definitive Consultant Fee and Additional Consultant Goods Fee in connection with the Final Reconciliation. Merchant shall pay the undisputed portion of each invoice delivered by Consultant as soon as reasonably practicable, but no more than three (3) business days, following Merchant's receipt of such invoice.

5. **CONDUCT OF SALE; OTHER SALE MATTERS**

(A) Merchant shall have control over the personnel in the Stores and Distribution Facilities and shall handle the cash, debit and charge card payments for all Merchandise in accordance with Merchant's normal cash management procedures, subject to Consultant's right to audit any such items in the event of a good faith dispute as to the amount thereof. Merchant (and not Consultant) shall be responsible for ensuring that the Sale, and the operation of the Stores or Distribution Facilities is conducted in compliance with all applicable laws and regulations, and in compliance with all applicable lease provisions with respect to the Stores and Distribution Facilities.

(B) Merchant and Consultant shall work together to determine a value-maximizing allocation of the Merchandise located in the Distribution Facilities that identifies the Merchandise to be sold in the Stores and the Merchandise to be sold to wholesale customers.

(C) The Parties will meet on each Wednesday during the Sale Term to review any Sale matters reasonably requested by either party and, in connection with such weekly meetings, all amounts payable (under Section 4(D)) or reimbursable (under Section 3(B)) to Consultant for the prior week shall be reconciled and paid in accordance with Section 4(D). No later than twenty (20) days following the end of the Sale Term, the Parties shall complete a final reconciliation and settlement of all amounts contemplated by this Agreement (the “Final Reconciliation”). Promptly upon completing the Final Reconciliation, Merchant or Consultant, as applicable, shall pay any additional amounts owed to the other Party hereunder.

To the extent Gross Proceeds with respect to sales of Merchandise to wholesale customers during the Sale Term are collected after the Final Reconciliation is performed, such Gross Proceeds shall be paid no later than three (3) business days following Merchant's receipt thereof.

(D) From time to time upon request, each Party shall prepare and deliver to the other Party such other reports as either party may reasonably request. Each Party shall, at all times during the Sale Term and during the one-year period thereafter, provide the other with access to all information, books and records relating to the Sale and to this Agreement. All records and reports shall be made available to Consultant and Merchant during regular business hours upon reasonable notice.

(E) Merchant shall be solely responsible for computing, collecting, holding, reporting, and paying all sales taxes associated with the sale of Merchandise, and Consultant shall have absolutely no responsibilities or liabilities therefor.

(F) In connection with the sale of Merchandise via wholesale channels, Merchant shall fund and maintain software licenses for all inventory management (e.g., the order management and product management systems) and other operational systems (e.g., the warehouse management systems) reasonably necessary to ensure Merchant's ability to pick, pack, ship and invoice for the Merchandise.

(G) Although Consultant shall undertake its obligations under this Agreement in a manner designed to achieve the desired results of the Sale and to maximize the recovery to the Merchant, Merchant expressly acknowledges that Consultant is not guaranteeing the results of the Sale.

(H) Merchant acknowledges that (i) the Parties are not conducting an inventory of the Assets located at the Stores or Distribution Facilities; (ii) Consultant has made no independent assessment of the beginning levels of Merchandise; and (iii) Consultant shall not bear any liability for shrink or other loss to the Assets located at the Stores or Distribution Facilities.

(I) All sales of Assets during shall be made in the name, and on behalf, of Merchant.

(J) All sales of Assets during the Sale Term shall be "final sales" and "as is," and all advertisements and sales receipts will reflect the same.

(K) Merchant hereby permits the Sale to be, and shall ensure that the Sale otherwise may be, advertised as a "going out of business," "store closing," "everything must go," "sale on everything," or such other mutually agreed upon themed sale throughout the Sale Term; provided, that Merchant shall seek any requisite approvals for such advertising from licensors for the Merchandise and shall advise Consultant as to any modifications to the advertising required by such licensors before the Effective Date.

(L) Before the beginning of the Sale Term, Merchant shall fund to Consultant an advance payment amount mutually agreed upon by the Parties in writing (the "Special Purpose Payment"), a portion of which shall be used to purchase signage on behalf of Merchant for the "store closing" event in the Stores and the remainder shall be held by Consultant until the Final

Reconciliation (and Merchant shall not apply the Special Purpose Payment to, or otherwise offset any portion of, the Special Purpose Payment against, any weekly reimbursement, payment of fees, or other amount owing to Consultant under this Agreement prior to the Final Reconciliation). To the extent Consultant incurs any expenses (including Consultant Controlled Expenses) before the Sale Term, Merchant shall reimburse Consultant for such fees or expenses on demand and ensure that the Special Purpose Payment is replenished. Without limiting any of Consultant's other rights, Consultant may apply the Special Purpose Payment to any unpaid obligation owing by Merchant to Consultant under this Agreement. Any portion of the Special Purpose Payment not used to pay amounts explicitly contemplated by this Agreement shall be returned to Merchant within three (3) business days following the Final Reconciliation.

6. FF&E DISPOSITION

(A) Promptly following the commencement of the Sale Term, Merchant shall inform Consultant of those items of owned furnishings, trade fixtures, equipment, machinery, office supplies, racking, rolling stock, any vehicles or other modes of transportation, and other personal property located at the Stores and Distribution Facilities (collectively, "FF&E") which are not to be sold (because Merchant does not have the right to sell such items) (collectively, "Retained FF&E").

(B) With respect to all FF&E as of the commencement of the Sale Term which is not Retained FF&E (collectively, the "Offered FF&E"), Consultant shall have the right to sell such Offered FF&E during the Sale Term in exchange for the applicable fee set forth in Section 4(B) of this Agreement.

(C) Merchant shall reimburse Consultant for its reasonable sale expenses associated with the sale of the Offered FF&E, not to exceed the amount set forth in any budget with respect to FF&E expenses for a particular Store or Distribution Facility (which shall be in addition to the Consultant Controlled Expenses budget), to be mutually agreed to by the Parties promptly after Merchant identifies the Offered FF&E and Retained FF&E at such Store or Distribution Facility.

(D) In connection with the sale of Offered FF&E through an auction, Consultant shall have the right to charge, collect and retain from third-party purchasers an industry-standard buyer's premium to cover auction-related expenses. The buyer's premium shall not be included in the calculation of Gross Proceeds.

(E) Consultant shall have the right to abandon any unsold Offered FF&E (and all Retained FF&E) at the Stores and Distribution Facilities at the conclusion of the Sale Term without liability to Merchant or any third party.

7. ADDITIONAL CONSULTANT GOODS

(A) In connection with the Sale, Consultant shall have the right to supplement the Merchandise in the Sale with additional goods procured by Consultant which are of like kind, and no lesser quality to the Merchandise in the Sale ("Additional Consultant Goods"). Consultant shall bear all out-of-pocket costs and expenses related to procuring and delivering



the Additional Consultant Goods to the Stores (including labor, freight and insurance associated therewith). Sales of Additional Consultant Goods shall be run through Merchant's cash register systems; provided, however, that Consultant shall mark the Additional Consultant Goods using either a "dummy" SKU or department number, or in such other manner so as to distinguish the sale of Additional Consultant Goods from the sale of Merchandise. Consultant and Merchant shall also cooperate so as to ensure that the Additional Consultant Goods are marked in such a way that a reasonable consumer could identify the Additional Consultant Goods as non-Merchant goods. Additionally, Consultant shall provide signage in the Stores notifying customers that the Additional Consultant Goods have been included in the Sale. Absent Merchant's written consent, and Consultant's agreement to reimburse Merchant for any associated expenses, Consultant shall not use Merchant's distribution centers for any Additional Consultant Goods.

(B) Consultant shall pay to Merchant an amount equal to 5% of the gross proceeds (excluding sales taxes) from the sale of the Additional Consultant Goods (the "Additional Consultant Goods Fee"), and Consultant shall retain all remaining amounts from the sale of the Additional Consultant Goods.

(C) Consultant and Merchant intend that the transactions relating to the Additional Consultant Goods are, and shall be construed as, a true consignment from Consultant to Merchant in all respects and not a consignment for security purposes. Subject solely to Consultant's obligations to pay to Merchant the Additional Consultant Goods Fee, at all times and for all purposes the Additional Consultant Goods and their proceeds shall be the exclusive property of Consultant, and no other person or entity shall have any claim against any of the Additional Consultant Goods or their proceeds. The Additional Consultant Goods shall at all times remain subject to the exclusive control of Consultant.

(D) Merchant shall, at Consultant's sole cost and expense, insure the Additional Consultant Goods and, if required, promptly file any proofs of loss with regard to same with Merchant's insurers. Consultant shall be responsible for payment of any deductible (but only in relation to the Additional Consultant Goods) under any such insurance in the event of any casualty affecting the Additional Consultant Goods.

(E) Merchant acknowledges that the Additional Consultant Goods shall be consigned to Merchant as a true consignment under Article 9 of the Uniform Commercial Code (the "UCC"). Consultant is hereby granted a first-priority security interest in and lien upon (i) the Additional Consultant Goods and (ii) the Additional Consultant Goods proceeds, and Consultant is hereby authorized to file UCC financing statements and provide notifications to any prior secured parties.

8. **A/R COLLECTION.** Following the Effective Date, the Parties may mutually agree that the Consultant will provide additional services hereunder including advising Merchant on the collection, servicing, settlement or other resolution of Merchant's receivables (the "A/R Services"). The inclusion of A/R Services is subject to mutual agreement of the Parties on the applicable servicing fee and other terms and conditions related to the performance of such services.

9. INSURANCE; RISK OF LOSS

(A) During the Sale Term: (a) Merchant shall maintain (at its expense) insurance with respect to the Merchandise in amounts and on such terms and conditions as are consistent with Merchant's ordinary course operations, and (b) each of Merchant and Consultant shall maintain (at each party's respective expense) comprehensive liability insurance covering injuries to persons and property, in such amounts as are reasonable and consistent with its ordinary practices, for bodily injury, personal injury and/or property damage. Each party shall be added as an additional insured on all such insurance of the other party, all such insurance shall provide that it shall be non-cancelable and non-changeable except after 30 days' prior written notice to the other party, and each party shall provide the other with certificates of all such insurance prior to the commencement of the Sale.

(B) Notwithstanding any other provision of this Agreement, Merchant and Consultant agree that Consultant shall not be deemed to be in possession or control of the Stores, Distribution Facilities, the Assets, or of Merchant's employees located at the Stores and Distribution Facilities, and Consultant does not assume any of Merchant's obligations or liabilities with respect thereto.

(C) Notwithstanding any other provision of this Agreement, Merchant and Consultant agree that Merchant shall bear all responsibility for liability claims (product liability and otherwise) of customers, employees and other persons arising from events occurring at the Stores or Distribution Facilities and from the sale of Assets.

10. INDEMNIFICATION

(A) Consultant shall indemnify and hold Merchant and its affiliates, and their respective officers, directors, employees, consultants, and independent contractors (collectively, "Merchant Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from or related to:

- (i) Consultant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;
- (ii) any harassment or any other unlawful, tortious or otherwise actionable treatment of any employees or agents of Merchant by Consultant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives (including without limitation any supervisors);
- (iii) any claims by any party engaged by Consultant as an employee or independent contractor (including without limitation any non-Merchant employee supervisor) arising out of such employment or engagement; or
- (iv) the gross negligence, willful misconduct or unlawful acts of Consultant, its affiliates or their respective officers, directors, employees, Consultants, independent contractors or representatives.

(B) Merchant shall indemnify and hold Consultant and its affiliates, and their respective officers, directors, employees, consultants, and independent contractors (collectively, “Consultant Indemnified Parties”) harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys’ fees and expenses, directly or indirectly asserted against, resulting from or related to:

- (v) Merchant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;
- (vi) any claims by any party engaged by Merchant as an employee or independent contractor arising out of such engagement;
- (vii) any third-party claims relating to any Assets;
- (viii) any claim by any owner or landlord of the Stores or Distribution Facilities with respect the Sale being conducted at such premises;
- (ix) the gross negligence, willful misconduct or unlawful acts of Merchant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives; or
- (x) the handling of any hazardous material or substance at the Stores or Distribution Facilities.

(C) If any action is commenced, as to which a Consultant Indemnified Party proposes to demand indemnification, such Consultant Indemnified Party shall promptly notify the Merchant following the Consultant Indemnified Party being notified of such action, if the Merchant is not party to such action. The Merchant shall be entitled to assume the defense of any such action (other than those actions brought by the Merchant). If the Merchant does not assume the defense of such action, the Merchant shall be entitled to reasonably participate (at its own cost) in such defense.

(D) If any action is commenced, as to which a Merchant Indemnified Party proposes to demand indemnification, such Merchant Indemnified Party shall promptly notify the Consultant following the Merchant Indemnified Party being notified of such action, if the Consultant is not party to such action. The Consultant shall be entitled to assume the defense of any such action (other than those actions brought by the Consultant). If the Consultant does not assume the defense of such action, the Consultant shall be entitled to reasonably participate (at its own cost) in such defense.

11. TERMINATION. If Merchant or Consultant fail to perform any of their respective material obligations hereunder and such failure continues uncured for five days, the non-defaulting party may, in its discretion, elect to terminate this Agreement by providing seven business days’ written notice thereof to the other party. No more than two (2) business days following any such termination, Merchant shall pay Consultant all undisputed fees and expenses otherwise payable hereunder in connection with the services provided on or before the date of

termination. All provisions of this Agreement that by their nature are intended to survive termination, shall remain in full force and effect following a termination under this Section 11.

12. MISCELLANEOUS.

(A) In the event that Merchant commences cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), this Agreement, including the retention of Consultant and conduct of the Sale set forth herein, shall be subject to the approval of the applicable United States Bankruptcy Court (the “Bankruptcy Court”). Merchant shall promptly seek to have this Agreement and the transactions contemplated hereby and the Existing Store Closing Agreement approved by the Bankruptcy Court pursuant to sections 363 and 365 of the Bankruptcy Code (and not pursuant to sections 327, 328, 330, or 331 thereof) and an order with terms acceptable to both Merchant and Consultant that provides, among other things, that: (i) the payment of all fees and reimbursement of expenses hereunder to Consultant is approved without further order of the court and shall be free and clear of all liens, claims and encumbrances; (ii) all such payments of fees and reimbursement of expenses shall be made without further order of the Bankruptcy Court and otherwise in accordance with this Agreement; (iii) approval of the transaction contemplated hereby; and (iv) protection of Consultant’s fees and expenses to ensure the payment of such fees and expenses are permitted under any debtor-in-possession financing or cash collateral budget (the “Approval Order”). In such event, any legal action, suit or proceeding arising in connection with this Agreement shall be submitted to the exclusive jurisdiction of the Bankruptcy Court having jurisdiction over Merchant, and each Party hereby waives any defenses or objections based on lack of jurisdiction, improper venue, and/or forum non conveniens. From and after entry of the Approval Order, Consultant shall conduct the Sale in accordance with the terms of the Approval Order in all material respects. In the event the Approval Order is not entered by the Bankruptcy Court or the Approval Order does not include the terms and conditions contained herein, (i) Merchant shall reimburse Consultant for any Consultant Controlled Expenses incurred in connection with the Sale through and including the day immediately after denial of such motion by the Bankruptcy Court or the date of Merchant’s breach of this Agreement, as applicable; and (ii) Consultant may, in its sole discretion, elect to terminate this Agreement. Further, upon disclosure to Merchant, Consultant shall have the right to syndicate and partner with additional entities to serve as “Consultant” hereunder as to this Agreement.

(B) This Agreement constitutes the entire agreement between the parties with respect to the matters contemplated hereby and supersedes and cancels all prior agreements, including, but not limited to, all proposals, letters of intent or representations, written or oral, with respect thereto. This Agreement may not be modified except in a written instrument executed by each of the parties hereto. No consent or waiver by any party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligation of such party. The failure on the part of any party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder. Nothing contained in this Agreement shall be deemed to create any relationship between Merchant and Consultant other than that of Consultant as an independent contractor of Merchant, and it is stipulated that the parties are not partners or joint

venturers in any way. Unless expressly set forth herein to the contrary, to the extent that either party's consent is required/requested hereunder, such consent shall not be unreasonably withheld or delayed. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and assigns; provided, however, that this Agreement may not be assigned by either party without the prior written consent of the other.

(C) This Agreement, including all exhibits attached hereto and thereto, and all matters arising out of or relating to this Agreement are governed by, and construed in accordance with, the laws of the State of New York. In the event any term or provision contained within this Agreement shall be deemed illegal or unenforceable, then such offending term or provision shall be considered deleted from this Agreement and such offending term or provision shall be considered deleted from this Agreement and the remaining terms shall continue to be in full force and effect.

(D) Written notices contemplated by this Agreement shall be sent by email (i) if to Merchant c/o Todd Hymel at thymel@liberatedbrands.com and Legal Department at legal@liberatedbrands.com; and (ii) if to Consultant c/o Rick Edwards at redwards@gordonbrothers.com and David Braun at dbraun@gordonbrothers.com.

[Signature Pages Follow]

Very truly yours,

GORDON BROTHERS RETAIL PARTNERS, LLC

DocuSigned by:
By: Richard Edwards
Name: Richard Edwards
Title: Head of NA Retail

GORDON BROTHERS COMMERCIAL & INDUSTRIAL, LLC

DocuSigned by:
By: Jim Lightburn
Name: Jim Lightburn
Title: Head of Commercial & Industrial

GORDON BROTHERS REALTY SERVICES, LLC

DocuSigned by:
By: Al Williams
Name: Al Williams
Title: Co-Head of Real Estate Services

Agreed and Accepted:
LIBERATED BRANDS LLC

By: _____
Name:
Title:

Exhibits:

- A Stores
- B Distribution Facilities
- C Leases
- D Budget

Very truly yours,

**GORDON BROTHERS RETAIL
PARTNERS, LLC**

By: _____
Name:
Title:

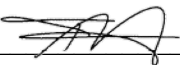
**GORDON BROTHERS COMMERCIAL
& INDUSTRIAL, LLC**

By: _____
Name:
Title:

**GORDON BROTHERS REALTY
SERVICES, LLC**

By: _____
Name:
Title:

Agreed and Accepted:
LIBERATED BRANDS LLC

By:  _____
Name: Todd Hymel
Title: CEO

Exhibits:

- A Stores
- B Distribution Facilities
- C Leases
- D Budget

Liberated Brands

Exhibit A

Store List

Store No.	Store	Concept	Address	City	State	Zip Code
141028	JERSEY GARDENS	Volcom Outlet	651 KAPKOWSKI RD. Room 2440	ELIZABETH	NJ	07201
141030	WOODBURY	Volcom Outlet	107 NIAGRA LN	CENTRAL COAST	NY	10917
141036	JERSEY SHORE	Volcom Outlet	1 Premium Outlet Blvd Ste 221	TINTON FALLS	NJ	07753-7472
141132	LYNNHAVEN	Volcom FP	701 Lynnhaven Parkway #C12	Virginia Beach	VA	23452
141420	Quik-Charleston 141420	Boardriders - FP	299 King St.	Charleston	SC	29401
141444	Quik-Jersey Shore 141444	Boardriders - Outlet	1 Premium Outlet Blvd. #231	Tinton Falls	NJ	7753
141013	SAWGRASS	Volcom Outlet	12801 W. SUNRISE BLVD. SUITE 5020	SUNRISE	FL	33323
141042	Palm Beach	Volcom Outlet	1751 Palm Beach Lakes Blvd Suite E116	Palm Beach	FL	33401
141412	BB-Palm Beach 141412	Boardriders - Outlet	3101 PGA Blvd. Unit #P213	Palm Beach Gardens	FL	33410
141433	Quik-Sunrise 141433	Boardriders - Outlet	12801 West Sunrise Blvd. Room #811	Sunrise	FL	33323
141436	Quik-Miami 141436	Boardriders - Outlet	11401 NW 12th St. #136	Miami	FL	33172
141022	TAMPA	Volcom Outlet	2300 GRAND CYPRESS DR. SUITE 638	LUTZ	FL	33559
141049	ELLENTON	Volcom Outlet	5461 Factory Shops Blvd Unit 830	Ellenton	FL	34222
141417	BB-Ellenton 141417	Boardriders - Outlet	5461 Factory Shops BLVD., 5575	Ellenton	FL	34222
141418	BB-Tampa 141418	Boardriders - Outlet	2312 Grand Cypress Drive Unit 810	Lutz	FL	33559
141020	ORLANDO	Volcom Outlet	4963 INTERNATIONAL DR. SUITE 2B-08	ORLANDO	FL	32819
141046	ST. AUGUSTINE	Volcom Outlet	Unit 0903	St. Augustine	FL	
141116	DISNEY	Volcom FP	1536 E. BUENA VISTA DR. SUITE B-19-105	LAKE BUENA VISTA	FL	32830
141136	ALTAMONTE	Volcom FP	451 Altamonte #2361	Altamonte Springs	FL	32701-4620
141413	BB-Millenia 141413	Boardriders - FP	4200 Conroy Rd Space D111	Orlando	FL	32839
141419	BB-Orlando 141419	Boardriders - Outlet	4967 International Drive Unit #3A15	Orlando	FL	32819
141442	Quik-Orlando 141442	Boardriders - Outlet	4963 International Dr. #2B03	Orlando	FL	32819
141464	QF-Beachworks 141464	Boardriders - FP	5600 International Drive	Orlando	FL	32819
141029	SILVER SANDS	Volcom Outlet	10562 EMERALD COAST PKWY W #39	MIRAMAR BEACH	FL	32550
141043	SAN MARCOS	Volcom Outlet	4015 I-35 South Suite 630	San Marcos	TX	78666
141467	BR-San Marcos 141467	Boardriders - FP	4015 I-35 Suite #625	San Marcos	TX	78666
141024	DENVER	Volcom Outlet	13801 GRANT STREET #420	THORNTON	CO	80023
141040	SPYDER CASTLE ROCK	Volcom Outlet	5050 Factory Shops Blvd, Unit 855	Castle Rock	CO	80108
141109	BOULDER	Volcom FP	1223 PEARL ST.	BOULDER	CO	80302
141127	Volcom - Park Meadows	Volcom FP	8401 Park Meadows Center Dr.	Lone Tree	CO	80124
141134	CORONADO	Volcom FP	6600 Menaul Blvd NE Suite H-006	Albuquerque	NM	87110
141404	BB-Boulder 141404	Boardriders - FP	1101 Pearl Street	Boulder	CO	80302
141011	PARK CITY	Volcom Outlet	6699 N Landmark Dr. Suite K140	Park City	UT	84098
141025	TRAVERSE	Volcom Outlet	3700 N. CABELAS BLVD #268	LEHI	UT	84043
141044	SPYDER TRAVERSE MOUNTAIN	Volcom Outlet	3700 Cabela's Blvd.	Lehi	UT	84043
141135	FASHION PLACE	Volcom FP	6191 S. State Street #1151	Murray	UT	84107-7258
141138	BOISE TOWNE SQUARE	Volcom FP	350 N Milwaukee	Boise	ID	83704
141441	Quik-Traverse 141441	Boardriders - Outlet	3700 N. Cabelas Blvd. #266	Lehi	UT	84043
141465	BR-Park City 141465	Boardriders - FP	6699 NM. Landmark Frice, Space 130	Park City	UT	84098
141007	CENTRALIA	Volcom Outlet	1326 Lum Road Suite 1326	Centralia	WA	98531
141008	NORTH BEND	Volcom Outlet	461 S. FORK AVE. SUITE 461 M	NORTH BEND	WA	98045
141016	WOODBURN	Volcom Outlet	1001 ARNEY RD. SUITE 628	Woodburn	OR	97071
141137	CLACKAMAS	Volcom FP	12000 SE 82ND AVE. #E102 E102	Happy Valley	OR	97086
141439	Quik-Woodburn 141439	Boardriders - Outlet	1001 Arney Rd. #422 Unit 420	Woodburn	OR	97071
141005	FOLSOM	Volcom Outlet	13000 FOLSOM BLD. SUITE 305	FOLSOM	CA	95630
141006	GILROY	Volcom Outlet	8375 ARROYO CIRCLE SUITE 46	GILROY	CA	95020
141010	RENO	Volcom Outlet	1350 SCHEELS DR. SUITE 106 D	SPARKS	NV	89434
141015	LIVERMORE	Volcom Outlet	3218 PARAGON OUTLETS DR. SUITE 3218 Unit 681	LIVERMORE	CA	94551
141027	GREAT MALL	Volcom Outlet	447 GREAT MALL DR. #198	MILPITAS	CA	95035
141048	VACAVILLE	Volcom Outlet	321 Nut Tree Road Unit 331I	Vacaville	CA	95687
141407	BB-Santa Cruz 141407	Boardriders - FP	4105 Portola Ave.	Santa Cruz	CA	95062
141003	LV NORTH	Volcom Outlet	855 GRAND CENTRAL PARKWAY SUITE 1885	LAS VEGAS	NV	89106-4547
141004	LV SOUTH	Volcom Outlet	7400 Las Vegas Blvd. S. Suite 207 B	Las Vegas	NV	89123-1041
141018	PHOENIX	Volcom Outlet	4976 PREMIUM OUTLETS WAY SUITE 406	CHANDLER	AZ	85226
141110	MM LAS VEGAS	Volcom FP	3663 LAS VEGAS BLVD.	LAS VEGAS	NV	89109
141131	Volcom - Tucson Mall	Volcom FP	4500 North Oracle Rd.	Tucson	AZ	85705
141414	BB-Miracle Mile 141414	Boardriders - FP	3663 Las Vegas Blvd. South #215	Las Vegas	NV	89109
141423	Quik-Desert Passage 141423	Boardriders - FP	3663 Las Vegas Blvd. South #H-123	Las Vegas	NV	89109
141437	Quik-Las Vegas 141437	Boardriders - Outlet	625 South Grand Central Parkway #1247	Las Vegas	NV	89106
141438	Quik-Belz Las Vegas 141438	Boardriders - Outlet	7400 Las Vegas Blvd South #32B	Las Vegas	NV	89123
141466	BR-Phoenix 141466	Boardriders - FP	6800 N 95th Ave, Unit 565	Glendale	AZ	85305
141026	CAMARILLO	Volcom Outlet	620 VENTURA BLVD SUITE 1304	CAMARILLO	CA	93010
141034	PISMO BEACH	Volcom Outlet	333 FIVE CITYIES DR. #A 041	PISMO	CA	93449
141038	TULARE	Volcom Outlet	1407 RETHERFORD ST. #D090	TULARE	CA	93274
141103	SANTA BARBARA	Volcom FP	625 STATE STREET	SANTA BARBARA	CA	93101
141133	VALLEY PLAZA	Volcom FP	2701 Ming Avenue #252	Bakersfield	CA	93304

141405	BB-Santa Barbara 141405	Boardriders - FP	651 State Street	Santa Barbara	CA	93101
141045	CARLSBAD	Volcom Outlet	5620 Paseo Del Norte Unit C108	San Diego	CA	92008
141050	Las Americas	Volcom Outlet	Unit 0256	San Diego	CA	
141415	BB-Las Americas 141415	Boardriders - Outlet	4211 Camino de la Plaza	San Diego	CA	92173
141422	Quik-Gaslamp 141422	Boardriders - FP	470 5th Avenue	San Diego	CA	92101
141424	Quik-La Jolla 141424	Boardriders - FP	1111 Prospect St.	La Jolla	CA	92037
141432	Quik-Las Americas 141432	Boardriders - Outlet	4265 Camino de la Plaza Ste. 222	San Diego	CA	92173
141459	Becker-Pacific Beach 141459	Boardriders - FP	4150 Mission Blvd., 131 &133	San Diego	CA	92109
141012	COMMERCE	Volcom Outlet	100 CITADEL DR. SUITE 577	COMMERCE	CA	90040
141130	NORTHRIDGE	Volcom FP	9301 Tampa Avenue #63	Northridge	CA	91324
141401	BB-Universal 141401	Boardriders - FP	1000 Universal Center Dr., Suite 196	Universal City	CA	91608
141408	BB-Del Amo 141408	Boardriders - Outlet	21712 Hawthorne BLVD, Space 216W	Torrance	CA	90503
141460	Becker-Malibu 141460	Boardriders - FP	23755 W. Malibu Road	Malibu	CA	90265
141461	ZJ's-Boarding house 141461	Boardriders - FP	2619 Main Street	Santa Monica	CA	90405
141009	CABAZON	Volcom Outlet	48400 SEMINOLE DR. STE 510	CABAZON	CA	92230
141031	ONTARIO MILLS	Volcom Outlet	1 MILLS CIR #123	ONTARIO	CA	91764
141039	BARSTOW	Volcom Outlet	2796 Tanger Way	Barstow	CA	
141416	BB-Desert Hills 141416	Boardriders - Outlet	48400 Seminole Drive Suite 426	Cabazon	CA	92230
141434	Quik-Corona 141434	Boardriders - Outlet	530 Hidden Valley St. #101	Corona	CA	92879
141443	Quik-Desert Hills 141443	Boardriders - Outlet	48400 Seminole Drive #430A	Cabazon	CA	92230
141035	ORANGE	Volcom Outlet	20 CITY BLVD. W #421A	ORANGE	CA	92868
141121	IRVINE	Volcom FP	670 SPECTRUM CENTER DR. SUITE 642	IRVINE	CA	92618
141409	BB-Mission Viejo 141409	Boardriders - Outlet	555 Shops at Mission Viejo space #808	Mission Viejo	CA	92691
141411	BB-Laguna Beach 141411	Boardriders - FP	903 S. Coast Highway	Laguna Beach	CA	92651
141427	Quik-Irvine 141427	Boardriders - FP	603 Spectrum Center Drive	Irvine	CA	92618
141428	Quik-Laguna Beach 141428	Boardriders - FP	255 Forest Ave.	Laguna Beach	CA	92651
141445	RVCA-Mission Viejo 141445	Boardriders - Outlet	555 The Shops at Mission Viejo, space 618A	Mission Viejo	CA	92691
141047	WAIKELE	Volcom Outlet	94-790 Lumiaina St Unit 0106	Waipahu	HI	96797
141115	HYATT WAIKIKI	Volcom FP	2424 KALAKAUA AVE. SUITE 112	HONOLULU	HI	96815
141119	HHV	Volcom FP	2005 KALIA RD. RAINBOW TOWER #F5	HONOLULU	HI	96815
141126	ALA MOANA	Volcom FP	1450 Ala Moana Blvd #3016	Honolulu	HI	96814
141141	North Shore	Volcom FP	62-620 Kamehameha Highway A	Haleiwa	HI	96712
141402	BB-Waikiki 141402	Boardriders - FP	2424 Kalakaua Ave., #1102	Honolulu	HI	96815
141410	BB-Waikiki Marketplce 141410	Boardriders - FP	2330 Kalakaua Ave, Space 222	Honolulu	HI	96815
141426	Quik-Hanalei 141426	Boardriders - FP	5-5088 Kuhio Hwy.	Hanalei	HI	96714
141430	Quik-Outrigger 141430	Boardriders - FP	2335 Kalakaua Ave Space No. L-103	Honolulu	HI	96815
141431	Quik-Waikiki 141431	Boardriders - FP	2250 Kalakaua Ae, Space 104 and partial 207 Suite 1800	Honolulu	HI	96815
141458	Roxy-Waikiki 141458	Boardriders - FP	2335 Kalakaua Avenue Space No. L-103	Honolulu	HI	96815
141104	WHALER'S VILLAGE	Volcom FP	2435 Kaanapali Parkway DB-10	LAHAINA	HI	96761
141114	QMP	Volcom FP	69-201 WAIKOLOA BEACH DR.	WAIKOLOA VILLAGE	HI	96738
141118	WAILEA	Volcom FP	3750 Wailea Alanui Drie Suite B-07	Wailea	HI	96753
141403	BB-Wailea 141403	Boardriders - FP	3750 Wailea Alanui Dr. Suite B-41	Wailea	HI	96753
141406	BB-Whalers Village 141406	Boardriders - FP	2435 Ka'anapali Parkway, Space F01	Lahaina	HI	96761
141421	Quik-Whalers Village 141421	Boardriders - FP	2435 Ka'anapali Parkway, #K1	Lahaina	HI	96761
141425	Quik-Queens 141425	Boardriders - FP	201 Waikoloa Beach Dr. #F14-16	Waikoloa	HI	96738
141429	Quik-Wailea 141429	Boardriders - FP	3750 Wailea Alanui #B-50	Wailea	HI	96753
141448	HON-Whalers Village 141448	Boardriders - FP	2435 Ka'anapali Parkway E01	Lahaina	HI	96761
141449	HON-Kona 141449	Boardriders - FP	75-5744 Ali'I Drive Unit 165	Kona	HI	96740
141450	HON-Kihei 141450	Boardriders - FP	2411 South Kihei Road Unit B7 and B8	Kihei	HI	96753
141452	HON-Wailea 141452	Boardriders - FP	3750 Wailea Alanui Dr. B47	Wailea	HI	96753
141453	HON-Waikoloa 141453	Boardriders - FP	250 Waikoloa Beach Drive E02A	Waikoloa	HI	96738
141455	HON-Paia 141455	Boardriders - FP	115 Hana Highway	Paia	HI	96779
141451	HON-Poipu 141451	Boardriders - FP	2360 Kiahuna Plantation Dr. D30-50	Koloa	HI	96756
141454	HON-Hilton Hawaiian 141454	Boardriders - FP	2005 Kalia Road, Rainbow Bazaar	Honolulu	HI	96815
141456	HON-Ko Olina 141456	Boardriders - FP	92-1048 Olani St. Suite 3-102	Kapolei	HI	96707
141457	HON-Waikiki Marketplce 141457	Boardriders - FP	2330 Kalakaua Ave, #280	Honolulu	HI	96815

Liberated Brands

Exhibit B

Distribution Facilities

Store No.	Store	Concept	Address	City	State	Country	Zip Code
1	3PL - Boardriders (UNIS)	DC	2677 E Alessandro Blvd.	Riverside	CA	US	92508
2	3PL - Boardriders (XB Fulfillment)	DC	XB Fulfillment Building #1, Camino Vecinal 20652, Col. Murua Oriente	Tijuana	Baja California	Mexico	22465
3	3PL - Liberated (NRI - Kamloops)	DC	8205 Dallas Drive	Kamloops	British Columbia	Canada	V2C 6X2
4	3PL - Liberated (NRI - Montreal)	DC	17550 Trans Can Highway	Kirkland	Quebec	Canada	H9J 3A3
5	3PL - Liberated (Ryder B16)	DC	5116 Chino Hills Parkway	Chino Hills	CA	US	91710
6	3PL - Liberated (Ryder B17)	DC	5026 Chino Hills Parkway	Chino Hills	CA	US	91710
7	Distribution Center - Liberated	DC	5 Pasteur	Irvine	CA	US	92618

**Liberated Brands
Retail Budget
Exhibit C-1**

Stores : 122
Sale Term : 1/30/25 - 4/27/25
Weeks : 12.6

	\$
Advertising	1,400,500
Supervision	1,421,188
Miscellaneous	100,000
Total Expenses	2,921,688

This expense budget is based upon the above start and end dates.
 Any changes in these dates may result in adjustments to the expense budget, which will be agreed upon by Consultant and Merchant.

**Liberated Brands
Wholesale Budget
Exhibit C-2**

Sale Term : 1/30/25 - 5/3/25
Weeks : 13.6

	\$
Advertising	0
Supervision	209,600
Miscellaneous	25,000
Total Expenses	234,600

This expense budget is based upon the above start and end dates.
 Any changes in these dates may result in adjustments to the expense budget, which will be agreed upon by Consultant and Merchant.

Exhibit 2

Sale Guidelines

Sale Guidelines¹

1. The Sales shall be conducted so that the Closing Stores in which sales are to occur will remain open no longer than during the normal hours of operation or such hours as otherwise provided for in the respective leases for the Closing Stores.
2. The Sales shall be conducted in accordance with applicable state and local “Blue Laws”, where applicable, so that no Sale shall be conducted on Sunday unless the Debtors had been operating such Closing Store on a Sunday prior to the commencement of the Sales.
3. On “shopping center” property, the Consultant and the Debtors shall not distribute handbills, leaflets, or other written materials to customers outside of any Closing Stores’ premises, unless permitted by the lease or, if distribution is customary in the “shopping center” in which such Closing Store is located; *provided* that the Consultant and the Debtors may solicit customers in the Closing Stores themselves. On “shopping center” property, the Consultant and the Debtors shall not use any flashing lights or amplified sound to advertise the Sales or solicit customers, except as permitted under the applicable lease or agreed to by the landlord.
4. The Debtors and the Consultant shall have the right to use and sell the Store Closure Assets and the Additional Consultant Goods. The Debtors and the Consultant may advertise the sale of the Store Closure Assets and the Additional Consultant Goods in a manner consistent with these Sale Guidelines. The purchasers of any of the Store Closure Assets and the Additional Consultant Goods sold during the Sales shall be permitted to remove the Store Closure Assets and the Additional Consultant Goods either through the back or alternative shipping areas at any time, or through other areas after store business hours; *provided, however*, that the foregoing shall not apply to the sale of de minimis Store Closure Assets and Additional Consultant Goods, whereby the item(s) can be carried out of the store in a shopping bag.
5. At the conclusion of the Sale, the Consultant shall vacate the Closing Stores; *provided* that Consultant may abandon any furniture, fixtures and equipment (including, but not limited to, machinery, rolling stock, office equipment and personal property) (“FF&E”) not sold in the Sales at the conclusion of the Sales (the “Termination Date”), without cost or liability of any kind to the Consultant. The Consultant shall notify the Debtors of its intention to abandon any FF&E at least two (2) days prior to the Termination Date. The Debtors shall provide notice to any known third parties holding a valid interest in any such FF&E (the “Interested Parties”) prior to such abandonment. The Debtors will have the option to remove the FF&E, at its own cost prior to the Termination Date. Any abandoned FF&E left in a Closing Store after a lease is rejected shall be deemed abandoned to the landlord having a right to dispose of the same as the landlord chooses without any liability whatsoever on the part of the landlord to any party and without waiver of any damage claims against the Debtors. For the avoidance of doubt, as of the Termination Date, the Consultant and the Debtors may abandon, in place and without further responsibility or liability of

¹ Capitalized terms used in these Sale Guidelines have the meanings given to them in the *Motion of Debtors for Entry of 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) Approving Modifications to the Customer Programs, and (IV) Granting Related Relief.*

any kind, any FF&E; *provided that* any Interested Party (a) received notice of such abandonment and (b) did not timely object thereto. Any such Interested Parties will be deemed to have permanently abandoned and surrendered such FF&E to the landlord, and any rights, interests, claims, liens, or encumbrances with respect to such abandoned FF&E (including any related claims against the landlord or its affiliates) shall be deemed permanently abandoned.

6. The Consultant may advertise the Sales as “store closing”, “sale on everything”, “everything must go”, “everything on sale” or similar-themed sales. The Consultant may also have a “countdown to closing” sign prominently displayed in a manner consistent with these Sale Guidelines. All signs, banners, ads and other advertising material, promotions, and campaigns will be approved by the Debtors, prior to purchase, in accordance with these Sale Guidelines.

7. The Consultant shall be permitted to utilize sign walkers, display, hanging signs, and interior banners in connection with the Sales; *provided that* such sign walkers, display, hanging signs, and interior banners shall be professionally produced and hung in a professional manner. The Consultant and the Debtors shall not use neon or day-glo on its sign walkers, display, hanging signs, or interior banners. Furthermore, with respect to enclosed mall locations, no exterior signs or signs in common areas of a mall shall be used unless otherwise expressly permitted in these Sale Guidelines. In addition, the Consultant and the Debtors shall be permitted to utilize exterior banners at (i) non-enclosed mall Closing Stores and (ii) enclosed mall Closing Stores to the extent the entrance to the applicable Closing Store does not require entry into the enclosed mall common area; *provided, however*, that such banners shall be located or hung so as to make clear that the Sales are being conducted only at the affected Closing Store, and shall not be wider than the storefront of the Closing Store. In addition, the Consultant and the Debtors shall be permitted to utilize sign walkers in a safe and professional manner and in accordance with the terms of the Order. Nothing contained in these Sale Guidelines shall be construed to create or impose upon the Consultant and the Debtors any additional restrictions not contained in the applicable lease agreement.

8. Conspicuous signs shall be posted in the cash register areas of each of the affected Closing Stores to effect that “all sales are final.”

9. Except with respect to the hanging of exterior banners, the Consultant shall not make any alterations to the storefront or exterior walls of any Closing Stores, except as authorized by the applicable lease.

10. The Consultant shall not make any alterations to interior or exterior Closing Store lighting, except as authorized by the applicable lease. No property of the landlord of a Closing Store shall be removed or sold during the Sales. The hanging of exterior banners or in-Closing Store signage and banners shall not constitute an alteration to a Closing Store.

11. The Consultant shall keep Closing Store premises and surrounding areas clear and orderly consistent with present practices.

12. The Consultant, at the direction of the Debtors, and the landlord of any Store are authorized to enter into Side Letters without further order of the Court; *provided that* such agreements do not have a material adverse effect on the Debtors or their estates.

13. Subject to the provisions of the Consulting Agreement, the Consultant shall have the right to use and sell all FF&E owned by the Debtors (the “Owned FF&E”). The Consultant may advertise the sale of the Owned FF&E in a manner consistent with these guidelines and the Consulting Agreement. The purchasers of any Owned FF&E sold during the sale shall be permitted to remove the Owned FF&E either through the back or alternative shipping areas at any time, or through other areas after applicable business hours; *provided, however* that the foregoing shall not apply to de minimis FF&E sales made whereby the item can be carried out of the Closing Store in a shopping bag. For the avoidance of doubt, as of the Sale Termination Date, the Consultant may abandon, in place and without further responsibility, any FF&E.

14. At the conclusion of the Sales at each Closing Store, pending assumption or rejection of applicable leases, the landlords of the Closing Stores shall have reasonable access to the Closing Stores’ premises as set forth in the applicable leases. The Debtors, the Consultant, and their agents and representatives shall continue to have access to the Closing Stores, pending assumption or rejection of applicable leases, as provided for in the Consulting Agreement.

15. The rights of landlords against Debtors for any damages to a Closing Store shall be reserved in accordance with the provisions of the applicable lease.

16. If and to the extent that the landlord of any Closing Store affected hereby contends that the Debtors or the Consultant are in breach of or default under these Sale Guidelines, such landlord shall email or deliver written notice by overnight delivery on the Debtors and the Consultant as follows:

If to Consultant:

Gordon Brothers Retail Partners, LLC
Gordon Brothers Commercial & Industrial, LLC
Gordon Brothers Realty Services, LLC
101 Huntington Avenue, 11th Floor
Boston, MA 02199

If to Debtors:

Liberated Brands LLC
1740 Monrovia Ave
Costa Mesa, California 92627

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022,
Attention: Joshua A. Sussberg, P.C.
Matthew C. Fagen, P.C.
Zachary R. Manning
Email: joshua.sussberg@kirkland.com

matthew.fagen@kirkland.com
zach.manning@kirkland.com

- and -

Kirkland & Ellis LLP
333 West Wolf Point Plaza
Chicago, Illinois 60654
Attention: Robert Jacobson
Email: rob.jacobson@kirkland.com

- and -

Klehr Harrison Harvey Branzburg LLP
919 N. Market Street, Suite 1000
Wilmington, Delaware 19801
Attention: Domenic E. Pacitti
Michael W. Yurkewicz
Email: dpacitti@klehr.com
myurkewicz@klehr.com

- and -

Klehr Harrison Harvey Branzburg LLP
1835 Market Street, Suite 1400
Philadelphia, Pennsylvania 19103
Attention: Morton R. Branzburg
Email: mbranzburg@klehr.com

17. If the parties are unable to resolve the dispute, either the landlord or the Debtors shall have the right to schedule a hearing before the Court on no less than three (3) business days' written notice to the other party, served by email or overnight delivery.