

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

Chapter 11

THE WET SEAL, INC., a Delaware
corporation, *et al.*,¹

Case No. 15-10081 (CSS)
(Jointly Administered)

Debtors.

Objection Deadline: April 20, 2015
Hearing: April 27, 2015 at 10:00 a.m.
Docket Ref. Nos. 426, 428, 452, 504 & 538

**SUPPLEMENT TO THE LIMITED OBJECTION OF CAROUSEL CENTER
COMPANY, L.P., CROSSGATES MALL GENERAL COMPANY NEWCO, LLC,
CRYSTAL RUN NEWCO, LLC, HOLYOKE MALL COMPANY, L.P., JPMG
MANASSAS MALL OWNER LLC, AND PYRAMID WALDEN COMPANY, L.P. TO
(I) DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING: (A) THE
SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR
OF ALL CLAIMS, LIENS, RIGHTS, INTERESTS AND ENCUMBRANCES; (B) THE
DEBTORS TO ENTER INTO AND PERFORM THEIR OBLIGATIONS UNDER THE
ASSET PURCHASE AGREEMENT, AND (C) THE DEBTORS TO ASSUME AND
ASSIGN CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND
(II) NOTICE OF (I) POSSIBLE TREATMENT OF CONTRACTS AND LEASES, (II)
FIXING OF CURE AMOUNTS, AND (III) DEADLINE TO OBJECT THERETO**

Carousel Center Company, L.P., Crossgates Mall General Company NewCo, LLC,
Crystal Run NewCo, LLC, Holyoke Mall Company, L.P., JPMG Manassas Mall Owner LLC,
and Pyramid Walden Company, L.P. (collectively, the "Landlords"), by and through their
undersigned counsel, file this supplement (the "Supplement") to their limited objection (the
"Limited Objection") (Dkt. No. 504) to (I) *Debtors' Motion for Entry of an Order Authorizing:*
(A) the Sale of Substantially All of the Debtors' Assets Free and Clear of all Claims, Liens,
Rights, Interests and Encumbrances; (B) the Debtors to Enter into and Perform Their
Obligations Under the Asset Purchase Agreement, and (C) the Debtors to Assume and Assign
Certain Executory Contracts and Unexpired Leases (the "Sale Motion") and (II) *Notice of (i)*

¹ The Debtors and the last four digits of their respective federal taxpayer identification numbers are as follows: The Wet Seal, Inc. (5940); The Wet Seal Retail, Inc. (6265), Wet Seal Catalog, Inc. (7604), and Wet Seal GC, LLC (2855-VA). The Debtors' address is 26972 Burbank, Foothill Ranch, CA 92610.

Possible Treatment of Contracts and Leases, (ii) Fixing of Cure Amounts, and (iii) Deadline to Object Thereto (the “Cure Notice”). (Dkt. Nos. 426 & 452.)

SUPPLEMENT

1. On April 4, 2015, the Court² entered an *Order Authorizing (a) the Sale of Substantially all of the Debtors’ Assets Free and Clear of All Claims, Liens, Rights, Interests, and Encumbrances; (b) the Debtors to Enter Into and Perform Their Obligations Under the Asset Purchase Agreement; and (c) the Debtors to Assume and Assign Certain Executory Contracts and Unexpired Leases* (the “Sale Order”). (Dkt. No. 538.)

2. The Sale Order provides that:

all filed objections relating to the proposed Cure Amounts, adequate assurance of future performance or other issues, as noted on the attached Exhibit 4 will be set for a continued hearing date (the “*Continued Objections*,” together with the Extended Objection Date Parties, the “*Objections*”) and notwithstanding anything to the contrary in this Order, each such counterparty that filed a Continued Objection reserves all rights to raise a future objection to the assumption and assignment of the Contract or Lease on grounds of the proposed Cure Amount or adequate assurance of future performance under the relevant Contract or Lease. All such Objections will be set for a further hearing on April 27, 2015 at 10:00 a.m. (the “*Continued Hearing Date*”), with the Extended Objection Date Parties filing objections on or before seven (7) days prior to the Continued Hearing Date.

(Sale Motion, ¶ 38.) The Limited Objection is included in Exhibit 4 to the Sale Motion.

3. The Landlords incorporate all of the facts, allegations, and arguments made in the Limited Objection herein by reference and reserve all of their rights with respect to any proposed assumption and assignment of their Leases. Furthermore, the Landlords join in any supplements filed by other landlords to the extent that such supplements are not inconsistent with the relief sought in the Limited Objection and the Supplement.

² All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Limited Objection.

4. As set forth with more particularity in the Limited Objection, the Debtors have failed to provide adequate assurance of future performance by the Buyer under the Leases pursuant to § 365(b)(3). (*See* Limited Objection, ¶ 16.) The Landlords have requested such adequate assurance information since filing the Limited Objection and the entry of the Sale Order, but none has been provided.

5. Furthermore, since the filing of the Limited Objection some of the Actual Cure Amounts have changed as set forth below in bold:

Shopping Center	Proposed Cure Amount	Actual Cure Amount
Destiny USA f/k/a Carousel Center	\$10,122.43	\$25,090.19
Crossgates Mall	\$9,646.11	\$38,287.98
Galleria at Crystal Run	\$6,597.66	\$17,968.54
Holyoke Mall	\$7,695.25	\$19,576.98
Manassas Mall	\$0	\$3,586.58
Walden Galleria	\$9,806.46	\$23,126.64

Updated itemizations are attached hereto as Exhibit “A.”

6. In light of the foregoing and the points raised in the Limited Objection, the Landlords oppose assumption and assignment of the Leases (i) absent the existence of adequate assurance of future performance; (ii) payment in full of the Actual Cure Amounts; (iii) assumption of liability for accrued, but unbilled or not yet due, obligations, including indemnity obligations; and (iv) payment of attorneys’ fees in compliance with the terms of the Leases.

[Remainder intentionally left blank]

CONCLUSION

WHEREFORE, the Landlords respectfully request that the Court sustain their Limited Objection and this Supplement thereto and grant the Landlords any additional and further relief the Court deems just and proper.

Dated: April 20, 2015
Wilmington, Delaware

/s/ Leslie C. Heilman
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