

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

In re:

EDDIE BAUER HOLDINGS, INC.,
et al.,¹

Debtors.

Chapter 11

Case No. 09-12099 (MFW)

(Jointly Administered)

**SUPPLEMENTAL DECLARATION OF BRADLEY I. DIETZ IN
SUPPORT OF DEBTORS' APPLICATION PURSUANT TO
SECTIONS 327(a) AND 328(a) OF THE BANKRUPTCY CODE FOR
AN ORDER AUTHORIZING THE DEBTORS TO RETAIN AND EMPLOY
PETER J. SOLOMON COMPANY AS INVESTMENT BANKER AND FINANCIAL
ADVISOR FOR THE DEBTORS NUNC PRO TUNC TO THE PETITION DATE**

I, Bradley I. Dietz, hereby declare as follows:

1. I am a Managing Director of the Restructuring Group of Peter J. Solomon Company ("**PJS**"), resident in PJS's New York City office at 520 Madison Avenue, New York, New York 10022. I submit this declaration (the "**First Supplemental Declaration**") to supplement my declaration dated June 17, 2009 (the "**Initial Declaration**")² submitted on behalf of PJS pursuant to Rule 2014(a) of the Federal Bankruptcy Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") in support of the application (the "**Application**") of Eddie Bauer Holdings, Inc. and its affiliated debtors, as debtors and debtors in possession in the above-

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Eddie Bauer Holdings, Inc., a Delaware corporation (2352); Eddie Bauer, Inc., a Delaware corporation (9737); Eddie Bauer Fulfillment Services, Inc., a Delaware corporation (0882); Eddie Bauer Diversified Sales, LLC, a Delaware limited liability company (1567); Eddie Bauer Services, LLC, an Ohio limited liability company (disregarded); Eddie Bauer International Development, LLC, a Delaware limited liability company (1571); Eddie Bauer Information Technology, LLC, a Delaware limited liability company (disregarded); Financial Services Acceptance Corporation, a Delaware corporation (7532); and Spiegel Acceptance Corporation, a Delaware corporation (7253). The mailing address for Eddie Bauer Holdings, Inc. is 10401 N.E. 8th Street, Suite 500, Bellevue, WA 98004. On or about the Petition Date, Eddie Bauer of Canada, Inc. and Eddie Bauer Customer Services, Inc., affiliates of the Debtors, commenced a proceeding before the Superior Court of Justice, Commercial List, for the Judicial District of Ontario, for a plan of compromise or arrangement under the Companies' Creditors Arrangement Act.

² All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Initial Declaration.



captioned cases (collectively, the “**Debtors**”) for entry of an order authorizing the retention and employment of PJS as investment banker and financial advisor for the Debtors. Unless otherwise stated, I have personal knowledge of the facts hereinafter set forth.³

2. As set forth in paragraph 15 of the Initial Declaration, PJS agreed to file supplemental declarations with the Court describing all additional information that became available with respect to any other relationship which may exist between, among others, PJS and any parties in interest which may affect these cases.

3. As stated in more detail in the Declaration of Marvin Edward Toland of Eddie Bauer Holdings, Inc., in Support of First Day Motions (the “**First Day Declaration**”), Eddie Bauer, Inc. and its subsidiaries were acquired by Spiegel, Inc. (“**Spiegel**”) in July 1998. As a result of a decline in sales and growing illiquidity, Spiegel, together with its subsidiaries and affiliates, including Eddie Bauer, Inc., filed petitions for chapter 11 relief on March 17, 2003 in the United States Bankruptcy Court for the Southern District of New York. See In re Spiegel, Inc. et. al., Case No. 03-11540 (BRL) (jointly administered case in which other debtors included Eddie Bauer, Inc., Eddie Bauer Services, LLC, Eddie Bauer International Development LLC and Eddie Bauer Services, LLC) (Filed March 17, 2003) (the “**Spiegel Bankruptcy**”). The Debtors, and their Canadian affiliates emerged from the Spiegel Bankruptcy as a stand-alone company pursuant to the Eddie Bauer, Inc. and its related Debtor affiliates’ Amended Joint Plan of Reorganization (the “**Plan**”). The bankruptcy court confirmed the Plan on May 25, 2005 and the Plan became effective on June 21, 2005.

4. During the Spiegel Bankruptcy, PJS acted as financial advisor to the Official Committee of Unsecured Creditors of the Spiegel debtors (the “**Committee**”).

³ Certain of the disclosures herein relate to matters within the personal knowledge of other professionals at PJS and are based on information provided by them.

However, upon the Plan becoming effective in June 2005, PJS's role as financial advisor to the Committee was complete. While the liquidating trust created under the Plan continues to exist, PJS is not involved in the administration of such trust. To the best of my knowledge, PJS's role as financial advisor to the Committee in the Spiegel Bankruptcy in no way compromises PJS's proposed retention by the Debtors.

5. It remains that neither PJS nor any employee thereof, insofar as I have been able to ascertain, represents any interest adverse to the Debtors or their estates. Except as may be stated above or in the Initial Declaration, PJS remains a "disinterested person" as that term is defined in 11 U.S.C. § 101(14).

Pursuant to 28 U.S.C. section 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated this 9th day of JUNE 2009

By: _____

Bradley A. Dietz
Managing Director