

**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

Objection Deadline: N/A

Hearing Date: N/A

**DEBTORS' MOTION PURSUANT TO 11 U.S.C. § 105,
FED. R. BANKR. P. 2002(a)(2) AND L.R. 9006-1(e) FOR AN ORDER
APPROVING THE TIME FOR NOTICE OF THE HEARING TO
CONSIDER (I) THE MOTION OF THE DEBTORS FOR ENTRY
OF AN ORDER APPROVING KEY EXECUTIVE INCENTIVE
PLAN AND KEY MANAGER INCENTIVE PLAN; AND
(II) A RELATED MOTION TO FILE EXHIBITS UNDER SEAL**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), having filed contemporaneously herewith (i) the Motion of the Debtors for Entry of an Order Approving Key Executive Incentive Plan (the “KEIP Motion”)² and (ii) the Motion of the Debtors for Entry of an Order Authorizing Filing Under Seal of Exhibits B and C to the Motion of the Debtors for Entry of an Order Approving Key Executive Incentive Plan (the “Seal Motion”), hereby move this Court (the “Motion to Shorten”), pursuant to section 105(a) of the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, Rule 2002(a) of the Federal Rules of

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.



Bankruptcy Procedure (the “Bankruptcy Rules”) and 9006-1(e) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), for entry of an order approving the time for notice of the KEIP Motion and the related Seal Motion so that the matters may be heard on or before July 15, 2009 and requiring that responses, if any, to the KEIP Motion and the Seal Motion be filed with the Court and served upon the undersigned counsel to the Debtors as set forth below.

1. Pursuant to Local Rule 9006-1, parties are required to file and serve motions at least fifteen days (eighteen days if service is by mail; sixteen days if service is by overnight delivery) prior to the hearing date. However, the Court may shorten such period for “cause shown.” Specifically, Local Rule 9006-1(e) allows a debtor to request shortened notice for a hearing on any motion upon written request specifying the exigencies supporting the requested relief. See Del. Bankr. L.R. 9006-1(e).

2. If the Court is able to consider the relief sought in the KEIP Motion and the Seal Motion on July 15, 2009³, then the Debtors respectfully submit that shortened notice would not be required pursuant to Local Rule 9006-1(e) as parties would have more than fifteen (15) days’ notice of the KEIP Motion and the Seal Motion and the Debtors will have hand delivered or delivered the KEIP Motion and the Seal Motion by overnight mail to all parties in interest.

3. If the Court is unable to consider the KEIP Motion and the Seal Motion on July 15, 2009, then the Debtors submit that there is sufficient cause to justify shortening the notice period for the hearing to consider such Motions. To help insure that the Debtors’ key

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the KEIP Motion.

employees are properly motivated and incentivized to undertake the substantial efforts that will be required of them, the Debtors, through their KEIP Motion, seek entry of an order authorizing and approving the Debtors' Key Executive Incentive Plan (the "KEIP") and Key Manager Incentive Plan (the "KMIP," and, collectively with the KEIP, the "Incentive Plans").

4. As discussed in greater detail in the KEIP Motion, the Court has scheduled July 22, 2009 at 9:30 a.m. as the Sale Hearing in these cases. The Debtors are seeking expedited consideration of the KEIP Motion so that such Motion may be heard prior to the Sale Hearing. The Debtors submit that it is critical that the KEIP Motion be heard as soon as is reasonably possible and, specifically, before the Sale Hearing, so that the Participants are incentivized and motivated during the Sale process. The Incentive Plans are based entirely upon an overbid for a sale of the Debtors' assets in accordance with the Court approved bidding process. If the "Incentive" Plans are not considered or approved until after the Court's consideration of the sale on July 22, 2009, then the goal of "incentivizing" the recipients under the Incentive Plans would be less compelling. The Debtors submit that the relief sought in the Incentive Plans is critical to their ability to maximize returns to their stakeholders.

5. For the foregoing reasons, the Debtors respectfully submit that to the extent that the Court is unable to accommodate a hearing on July 15, 2009 regarding the KEIP Motion and the related Seal Motion (with a corresponding objection deadline of July 13, 2009 at 12 noon (ET)), then cause exists to allow the KEIP Motion and the Seal Motion to be heard at a hearing prior to July 15, 2009 (ET) and to require responses, if any, to the KEIP Motion and the

³ It is the understanding of counsel that this Court will not be available the week of July 13, 2009.
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Seal Motion to be filed with the Court and served upon the undersigned counsel to the Debtors no later than 12 noon on the day prior to such hearing.

6. As set forth above, the Debtors propose to serve the KEIP Motion and the Seal Motion on the notice parties listed therein by hand-delivery or overnight mail on the date hereof, in order to ensure that parties in interest receive maximum notice of the KEIP Motion and the Seal Motion prior to the hearing.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

WHEREFORE, the Debtors respectfully request that the Court enter an order substantially in the form attached hereto granting the relief requested herein and any further relief the Court may deem just and proper.

Dated: June 29, 2009
Wilmington, Delaware

Respectfully Submitted,



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PROPOSED ATTORNEYS FOR DEBTORS AND
DEBTORS-IN-POSSESSION

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

In re:

EDDIE BAUER HOLDINGS, INC.,
*et al.*⁴

Debtors.

Chapter 11

Case No. 09-12099 (MFW)

Jointly Administered

Docket Ref. No. _____

**ORDER APPROVING THE TIME FOR NOTICE OF THE HEARING TO CONSIDER
(I) THE MOTION OF THE DEBTORS FOR ENTRY OF AN ORDER APPROVING
KEY EXECUTIVE INCENTIVE PLAN AND KEY MANAGER INCENTIVE
PLAN; AND (II) A RELATED MOTION TO FILE EXHIBITS UNDER SEAL**

Upon consideration of the motion (the "Motion to Shorten")⁵ of the Debtors, pursuant to section 105(a) of the Bankruptcy Code and Local Rule 9006-1(e), for entry of an order approving the time for notice of the hearing to consider the KEIP Motion and the Seal Motion so that such motions can be heard on or before July 15, 2009 (ET); and the Court having determined that granting the relief requested by the Motion to Shorten is in the best interest of the Debtors, their estates and creditors; and it appearing that due and adequate notice of this Motion to Shorten has been given, and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Motion to Shorten is granted; and it is further

⁴ 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.

⁵ Capitalized terms used herein shall have the meaning set forth in the Motion to Shorten.

ORDERED that a hearing on the KEIP Motion and the Seal Motion will be held on _____, 2009 at _____ (ET) before the Honorable _____; and it is further

ORDERED that any responses to the KEIP Motion and the Seal Motion must be filed with the Court and served on counsel to the Debtors on or prior to 12:00 Noon (ET) on _____, 2009; and it is further

ORDERED that this Court shall retain jurisdiction over any and all matters arising from or related to the implementation or interpretation of this Order.

Dated: Wilmington, Delaware
_____, 2009

Mary F. Walrath
United States Bankruptcy Judge