

**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

Docket Ref. Nos. 197 and 271

**ORDER APPROVING KEY EXECUTIVE INCENTIVE PROGRAM
AND KEY MANAGER INCENTIVE PROGRAM**

Upon consideration of the motion (the "Motion")² of the Debtors for entry of an order authorizing and approving the Debtors' Key Executive Incentive Program and Key Manager Incentive Program; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties-in-interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this Motion is a core proceeding pursuant to 28 U.S.C. § 157; and adequate notice of the Motion and opportunity for objection having been given; and it appearing that no other notice need be given; and after due deliberation and sufficient cause therefore, it is hereby:

ORDERED, that the Motion is granted; and it is further

ORDERED, that the Debtors' KEIP and the Debtors' KMIP are each approved in all respects; and it is further

¹ The Debtors in these cases are: Eddie Bauer Holdings, Inc., a Delaware corporation; Eddie Bauer, Inc., a Delaware corporation; Eddie Bauer Fulfillment Services, Inc., a Delaware corporation; Eddie Bauer Diversified Sales, LLC, a Delaware limited liability company; Eddie Bauer Services, LLC, an Ohio limited liability company; Eddie Bauer International Development, LLC, a Delaware limited liability company; Eddie Bauer Information Technology, LLC, a Delaware limited liability company; Financial Services Acceptance Corporation, a Delaware corporation; and Spiegel Acceptance Corporation, a Delaware corporation. On June 17, 2009, 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 Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.




ORDERED, that the Debtors are authorized to make payments in accordance with the terms of the KEIP and the KMIP; and it is further

ORDERED, that the Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order; and it is further

ORDERED, that notwithstanding the possible applicability of Rule 6004(h) of the Federal Rules of Bankruptcy Procedure, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED, that this Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: July 22, 2009
Wilmington, Delaware



Mary F. Walrath
United States Bankruptcy Judge