

**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: August 14, 2009

NOTICE OF REJECTION OF UNEXPIRED EXECUTORY CONTRACTS

PLEASE TAKE NOTICE that on July 23, 2009, the United States Bankruptcy Court for the District of Delaware (the “*Bankruptcy Court*”) entered an Order (A) Approving the Sale of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances and Interests; (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; (C) Establishing Rejection Procedures and Guidelines for Conducting Store Closing Sales; and (D) Extending the Deadline to Assume or Reject Unexpired Leases of Nonresidential Real Property Pursuant to 11 U.S.C. §§ 365(d)(4) [Docket No. 508] (the “*Sale Order*”).

PLEASE TAKE FURTHER NOTICE that the Debtors hereby provide this “Notice of Rejection of Unexpired Executory Contracts” (the “*Rejection Notice*”) of their intent to reject the executory contracts listed on Exhibit 1 hereto (collectively, the “*Contracts*”). Pursuant to the terms of the Sale Order, the Contracts shall be deemed rejected effective on the date that is ten (10) days from the date this Rejection Notice is served (the “*Effective Date of Rejection*”).

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.



PLEASE TAKE FURTHER NOTICE that, should you object to the Debtors' rejection of the Contracts, you must file and serve a written objection so that such objection is filed with the Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 and actually received on or before August 14, 2009 by the following parties: (i) Debtors' co-counsel by mail (a) Young Conaway Stargatt & Taylor, LLP, 1000 West Street, 17th Floor, Wilmington, Delaware 19801 (Attn: Michael R. Nestor, Esq.), and by facsimile, (302) 571-1253, and (b) Latham & Watkins LLP, Sears Tower, Suite 5800, 233 South Wacker Drive, Chicago, IL 60606 (Attn: David Heller, Esq.), and by facsimile, (312) 993-9767, Latham & Watkins LLP, 140 Scott Drive, Menlo Park, CA 94025 (Attn: Tony Richmond, Esq.), and by facsimile, (650) 463-2600, Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, CA 90071-1560 (Attn: Heather Fowler, Esq.), and by facsimile, (213) 891-8763; (ii) the Debtors by mail, Eddie Bauer, Inc., 10401 N.E. 8th Street, Suite 500, Bellevue, WA 98004 (Attn: Freya Brier), and by facsimile, (425) 755-7671; (iii) the Committee's counsel by mail Cooley Godward Kronish LLP, 1114 Avenue of the Americas, New York, NY 10036 (Attn: Eric Haber, Esq.) and by facsimile, (212) 479-6275; (iv) counsel to the Pre-Petition Term Agent, Paul, Hastings, Janofsky & Walker LLP, 75 East 55th Street, New York, NY 10022 (Attn: Mario J. Ippolito, Esq.) and by facsimile, (212) 230-7717; (v) counsel to the DIP Agent and Pre-Petition Revolving Agent, Riemer & Braunstein LLP, Three Center Plaza, Boston, MA 02108 (Attn: Donald E. Rothman, Esq.); (vi) Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19899 (Attn: David Buchbinder, Esq.); (vii) Counsel to Everest Holdings LLC, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654 (Attn: James Stempel, Esq. and Gary M. Holihan, Esq.) and by facsimile, (312) 862-2200 and to Kirkland & Ellis LLP, 555 California

Street, San Francisco, CA 94104 (Attn: Mikhaal Shoaib, Esq.) and by facsimile (415) 439-1500); and (viii) any other interested parties to the Contracts.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Sale Order, if no timely objection is filed and served in accordance with the above procedures, the Debtors will file with the Court a certificate of no objection with the proposed form of order, attached hereto as Exhibit II, that provides, inter alia, that the rejection of such Contracts shall become effective ten (10) days from the date the Rejection Notice is served on the affected counterparty.

PLEASE TAKE FURTHER NOTICE that, if an objection is properly filed and timely served in accordance with the above, unless the parties agree otherwise in writing, a hearing will be scheduled to consider such objection. If that objection is overruled by the Court or withdrawn, the rejection of the related Contract shall be deemed effective on the Effective Date of Rejection.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Sale Order, if the Debtors have deposited monies with a Contract counterparty pursuant to a deposit or otherwise, the counterparty holding such monies may not set-off or recoup or otherwise use such monies without prior approval of the Court (unless otherwise consented to in writing by the Debtors).

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Sale Order, should you have a claim for any damages as a result of the Debtors' rejection of the Contracts you must submit a proof of claim to Eddie Bauer Claims Processing Center c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo CA 90245, on or before the later of (i) the date that is 30 days after the effective date of rejection of the Contracts, or (ii) September 21, 2009, the bar date established by this Court for filing proofs of claim against the Debtors. If you

do not properly and timely file such proof of claim, you shall be forever barred from asserting any claims for such rejection damages.

Dated: August 4, 2009
Wilmington, Delaware

Respectfully submitted,



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-and-

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COUNSEL FOR DEBTORS
AND DEBTORS-IN-POSSESSION

Exhibit I

(List of Unexpired Executory Contracts to be Rejected)

Emergency Contact Cure Schedule
(Relief)

Contract Company	Contract Description	Contact Name	City	State	Zip	County
Whiplash Corporation	Joint Promotional Agreement for Eddie Bauer Award Certificates and GI Cards	Robert Legal Dept.	2000 North M-43	MI	49022	
Work In Restroom, LLC	Service Agreement	Robert	200 N. LaSalle St	IL	60601	
Work In Restroom, LLC	Service Agreement	Robert	63 Jackson St	MA	02751	
Work In Restroom, LLC	Service Agreement	Robert	1283 Triston Park Bkx	TX	75253	
WTFSPA Water Topics Paratotal School Parents Association	Executive Program Agreement	Robert Andrew Ranuzzi, President	4435 Nantuxett Dr.	OH	43023-3113	

Exhibit II

(Proposed Form of Rejection Order)

**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

Related Doc. _____

**ORDER, PURSUANT TO SECTIONS 105, 363 AND 365 OF THE BANKRUPTCY
CODE AND BANKRUPTCY RULES 2002, 6004 AND 6006 APPROVING
THE REJECTION OF UNEXPIRED EXECUTORY CONTRACTS**

Pursuant to the Order (A) Approving the Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances and Interests; (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; (C) Establishing Rejection Procedures and Guidelines for Conducting Store Closing Sales; and (D) Extending the Deadline to Assume or Reject Unexpired Leases of Nonresidential Real Property Pursuant to 11 U.S.C. §§ 365(d)(4) [Docket No. 508] (the "**Sale Order**"); and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Debtors² having properly filed and served a Rejection Notice in accordance with the terms of the Sale Order in respect of the Contracts; and no timely objections having been filed to the rejection of such Contracts; and due and proper notice of the Sale Order

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.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Sale Order.

and Rejection Notice having been provided, and it appearing that no other notice need be provided; and after due deliberation and sufficient cause appearing therefor,

NOW, IT IS HEREBY ORDERED THAT:

1. The rejection of the Contracts attached to the Rejection Notice as Exhibit 1 is hereby approved.

2. Any claims against the Debtors arising from the rejection of Contracts herein must be filed in accordance with the procedures for filing of proofs of claim as set forth in the Sale Order on or before the later of (i) the date that is 30 days after the effective date of rejection of the Contracts, or (ii) September 21, 2009, the bar date established by this Court for filing proofs of claim against the Debtors. If a Contract counterparty does not properly and timely file such proof of claim, the Contract counterparty shall be forever barred from asserting any claims for such rejection damages.

3. The Debtors are authorized to take any action necessary to implement the terms of this Order and the rejection without further order from this Court.

4. The rejection of the Contracts shall be effective as of _____, 2009.

5. If the Debtors have deposited monies with a Contract counterparty pursuant to a deposit or otherwise, the counterparty holding such monies may not set-off or recoup or otherwise use such monies without prior approval of the Court (unless otherwise consented to in writing by the Debtors).

6. This Court shall retain exclusive jurisdiction to resolve any dispute arising from or related to this Order.

Dated: _____, 2009
Wilmington, Delaware

THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE