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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X
In re : Chapter 11
CRABTREE & EVELYN, LTD., : Case No. 09- _____ (___)
Debtor. :
----- X

**MOTION FOR AN ORDER PURSUANT TO SECTIONS 105(a), 345(b), 363(c) AND
364(a) OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTOR TO
(I) CONTINUE TO USE EXISTING CASH MANAGEMENT SYSTEM, (II) MAINTAIN
EXISTING BANK ACCOUNTS AND BUSINESS FORMS, AND (III) WAIVE
REQUIREMENTS OF SECTION 345(b) OF THE BANKRUPTCY CODE**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Crabtree & Evelyn, Ltd., as debtor and debtor in possession (the “Debtor”),¹

respectfully represents:

BACKGROUND

General

1. On the date hereof (the “Petition Date”), the Debtor commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtor is authorized to operate its businesses and manage its properties as debtor in

¹ The last four digits of the Debtor’s federal tax identification number are 1685.

possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory creditors' committee has been appointed in this chapter 11 case.

The Debtor's Businesses

2. Crabtree & Evelyn has evolved from a small, entrepreneurial business, to a company with worldwide manufacturing and distribution capabilities, worldwide distribution channels and 125 retail locations in the United States, making it well-known and respected for its English-style elegance. Through a multi-channel sales strategy, including sales through retail, wholesale, export, affiliate and internet channels, the Debtor manufactures and distributes its products worldwide.

3. Founded as a purveyor of fine soaps from around the world, products were first sold under the Crabtree & Evelyn name starting in approximately 1972.² During nearly four decades Crabtree & Evelyn has expanded its product offerings from fine soaps to include personal care products and related accessories, fragrances, comestibles (*i.e.*, food products including cookies, teas and jams), products for the home and gift arrangements. The Debtor also sells Vera Bradley (purses and related accessories) products in its retail store locations. Crabtree & Evelyn manufactures and distributes more than twenty-five product lines, including LaSource®, Gardeners, India Hicks Island Living® and Naturals and its products have been frequently mentioned in numerous magazines, including Vogue, Glamour, and Lucky. In 1977, Crabtree & Evelyn opened its first retail store, and its retail business has gradually expanded to include a manufacturing and distribution facility, as well as 125 stores in the United States. In 1996, Kuala Lumpur Kepong Berhad purchased 100 percent of the equity of the Debtor. The

² The name of the Debtor is inspired from (i) the crabapple tree, the original species from which all cultivated apple trees have derived, and (ii) John Evelyn, the seventeenth century renaissance Englishman, who wrote one of the first works on conservation of forests and timber.

Debtor is incorporated in Connecticut, and its headquarters, distribution center, manufacturing facility, and warehouse are located in Woodstock, Connecticut.

4. The Debtor's primary assets include inventory, contract rights, intellectual property rights, and accounts receivable for goods sold. The Debtor also owns its headquarters, manufacturing facility, distribution center and warehouse in Woodstock, Connecticut. In addition, the Debtor leases a significant number of retail stores located in 34 states.

JURISDICTION

5. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF REQUESTED

6. By this motion (the "Motion"), the Debtor requests, pursuant to sections 105(a), 345(b), 363(c), and 364(a) of the Bankruptcy Code, authorization to (i) continue to use its existing cash management system (the "Cash Management System"), (ii) maintain its existing bank accounts (the "Bank Accounts") and Business Forms (defined below), and (iii) waive the requirements of section 345(b) of the Bankruptcy Code to the extent its Bank Accounts contain funds in excess of the amounts insured by the Federal Deposit Insurance Corporation. By separate motion filed concurrently herewith, the Debtor has requested authority to use funds held in its Bank Accounts that constitute cash collateral of its prepetition secured lender.

7. To efficiently and seamlessly manage its businesses, the Debtor uses the Cash Management System to collect and transfer the funds generated by its collective operations and to disburse funds needed to satisfy its financial obligations. The Cash Management System facilitates cash monitoring, forecasting and reporting, and enables the Debtor to maintain control

over the administration of its Bank Accounts located at various banks (the “Banks”), including those listed on Exhibit A annexed hereto.

8. By preserving business continuity, and avoiding the disruption and delay to the Debtor’s payroll, disbursement, and collection activities that would necessarily result from closing the Bank Accounts and opening new accounts, all parties in interest, including employees, vendors, clients, and creditors, will be best served. The benefit to the Debtor, its business operations, and all parties in interest will be considerable. Moreover, the confusion that would otherwise result, absent the relief requested herein, would ill-serve the Debtor’s rehabilitative efforts.

The Debtor’s Cash Management System

9. The Debtor’s Cash Management System consists of 134 Bank Accounts at various banks, approximately one-third of which are maintained by Bank of America. With this system in place, the Debtor is able to accurately record collections, transfers, and disbursements as they are made through the various Bank Accounts. The Cash Management System has four main components: (i) cash collection at the store level, whereby the cash and checks from sales at the Debtor’s retail stores is deposited into various store accounts (the “Store Accounts”); (ii) deposits into consolidated accounts, whereby deposits from certain Store Accounts are swept into consolidated accounts (the “Consolidated Accounts”) at Bank of America, Wells Fargo and Wachovia;³ (iii) cash collection, concentration and wire disbursement and other non-check disbursements, whereby funds from the Store Accounts, Consolidated Accounts (as applicable), credit card payments, wires from affiliates and export customers, and payments from wholesale

³ For example, 47 retail stores each maintain a Bank Account at Bank of America. One to two times per week, these accounts are swept to the Bank of America Consolidated Account. As discussed below, the Consolidated Accounts (not the underlying Store Accounts which are associated with Consolidated Accounts) are then swept one to two times per week into the Operating Account.

customers are concentrated into one centralized account at HSBC (the “Operating Account”);⁴ and (iv) check disbursement, whereby the Debtor disburses funds by check to satisfy various financial obligations, which disbursements are made from one controlled disbursement account (the “Controlled Disbursement Account”). For demonstrative purposes, a diagram generally illustrating the flow of funds through the Cash Management System is annexed hereto as **Exhibit B**.

Collection and Concentration of Cash

10. The Debtor generates revenue primarily from the sale of skin care, fragrance, bath, home fragrance and gift products through its retail, wholesale, affiliate, export and e-commerce businesses. Cash receipts from retail sales are deposited into the Store Accounts. One to two times per week, deposits in the Store Accounts or the Consolidated Accounts, as applicable, are swept to the Operating Account. The Store Accounts and the Consolidated Accounts are not zero-balance accounts; rather, after such accounts are swept, the Debtor maintains approximately \$500 in each account. Receipts from the Debtor’s wholesale, affiliate, export and e-commerce businesses and non-cash receipts from the retail business are deposited into the Operating Account.

Disbursements of Cash

11. The Debtor maintains two disbursement accounts. Disbursements by check are paid from the Controlled Disbursement Account. The Controlled Disbursement Account is a zero-balance account. When checks are presented, the Controlled Disbursement Account accumulates a negative balance. At the end of each day, the Controlled Disbursement

⁴ The Debtor also maintains an operating account at Citibank. At the end of each day, Citibank sweeps the account and invests the balance in an interest bearing account. The next morning, Citibank deposits the funds back into the Citibank operating account. The purpose of the sweep is to generate interest on the funds.

Account transfers the sum of the debits to the Operating Account. This leaves the Controlled Disbursement Account with a zero balance and the Operating Account with a balance in the aggregate amount of the cash on hand less the daily disbursements. All other disbursements, including payments to the Debtor's payroll processor, are made from the Operating Account.

Limited Exception to the Cash Management System

12. The Debtor maintains one bank account outside the Cash Management System described above. One deposit account at Citizens National Bank is used for deposits from the Debtor's headquarters, distribution center and warehouse. Funds from this account are swept approximately one to two times per week into the Operating Account.

13. Overall, this system allows the Debtor to accurately account for, and fund, all payroll and accounts payable on its books, generate necessary expense reports, and track any intercompany payables and receivables.

Continuing the Cash Management System Is in the Best Interests of the Debtor, Its Creditors, and All Parties In Interest

14. The Debtor seeks authorization to continue to operate its Cash Management System consistent with its prepetition practices and operations. The Cash Management System constitutes an ordinary course and essential business practice providing significant benefits to the Debtor, including, among other things, the ability to (i) control corporate funds; (ii) ensure the maximum availability of funds when and where necessary; and (iii) reduce administrative expenses by facilitating the movement of funds and the development of more timely and accurate account-balance information.

15. As a practical matter, because the Debtor conducts business in numerous locations that collect funds from customers, and because the Cash Management System interconnects the Debtor's operations with its affiliates and its export business, it would be

extremely difficult and expensive to establish and maintain a different cash management system. The Debtor therefore requests that the Court approve the continuation of its existing Cash Management System after the Petition Date. The existing Cash Management System is the most effective mechanism for managing receipts and disbursements between the Debtor and third parties.

16. Section 363(c)(1) of the Bankruptcy Code authorizes the debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The purpose of section 363(c)(1) of the Bankruptcy Code is to provide a debtor in possession with the flexibility to engage in the ordinary transactions required to operate its business without unnecessary oversight by its creditors or the court. See, e.g., Med. Malpractice Ins. Ass’n v. Hirsch (In re Lavigne), 114 F.3d 379, 384 (2d Cir. 1997); Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.), 207 B.R. 406, 409 (S.D.N.Y. 1997); In re Enron Corp., Case No. 01-16034 (ALG), 2003 WL 1562202, at *15 (Bankr. S.D.N.Y. Mar. 21, 2003). Included within the purview of section 363(c) is a debtor’s ability to continue the “routine transactions” necessitated by a debtor’s cash management system. Amdura Nat’l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.), 75 F.3d 1447, 1453 (10th Cir. 1996). Accordingly, the Debtor seeks authority under section 363(c)(1) of the Bankruptcy Code to continue the collection, concentration, and disbursement of cash pursuant to its Cash Management System described above.

17. The Bankruptcy Code also provides a debtor in possession the freedom to obtain unsecured credit and incur unsecured debt in the ordinary course of business without notice and a hearing. 11 U.S.C. § 364(a); In re Amdura Corp., 75 F.3d at 1453 (10th Cir. 1996); LNC Inv., Inc. v. First Fidelity Bank, 247 B.R. 38, 45 (S.D.N.Y. 2000); Mulligan v. Sobiech,

131 B.R. 917, 921 (S.D.N.Y. 1991). Accordingly, the Debtor seeks authorization, to the extent necessary, to obtain unsecured credit and incur unsecured debt in the ordinary operation of its Cash Management System.

18. Furthermore, section 345 of the Bankruptcy Code governs a debtor's deposit and investment of cash during a chapter 11 case and authorizes deposits or investments of money as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C. § 345(a). For deposits or investments that are not "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States," section 345(b) requires the estate to obtain from the entity with which the money is deposited or invested a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, unless the Court for cause orders otherwise. 11 U.S.C. § 345(a). In the alternative, the estate may require the entity to deposit governmental securities pursuant to 31 U.S.C. § 9303. Section 9303 provides that when a person is required by law to give a surety bond, that person, in lieu of a surety bond, may provide a governmental obligation. 31 U.S.C. § 9303.

19. Strict compliance with the requirements of section 345(b) of the Bankruptcy Code would, in a case such as this, be inconsistent with section 345(a), which permits a debtor in possession to make such investments of money of the estate "as will yield the maximum reasonable net return on such money." 11 U.S.C. § 345(a). Thus, in 1994, to avoid "needlessly handcuff[ing] larger, more sophisticated debtors," Congress amended section 345(b) of the Bankruptcy Code to provide that its strict investment requirements may be waived or

modified if the Court so orders “for cause.” 140 Cong. Rec. 10,767 (Oct. 4, 1994), 1994 WL 545773.

20. The Debtor’s Cash Management System leaves it with limited, if any, funds in excess of the amounts insured by the Federal Deposit Insurance Corporation. Nevertheless, to the extent such funds exist, the Debtor believes that those funds are secure and that obtaining bonds to secure such funds, as required by section 345(b) of the Bankruptcy Code, is unnecessary and detrimental to the Debtor’s estate and creditors. The Debtor submits that “cause” exists pursuant to section 345(b) of the Bankruptcy Code to waive such requirement because, among other considerations, (i) the Debtor’s Banks are highly rated, federally chartered banks subject to supervision by federal banking regulators, (ii) the Debtor retains the right to remove funds held at the Banks and establish new bank accounts as needed, (iii) the cost associated with satisfying the requirements of section 345 is burdensome, and (iv) the process of satisfying those requirements would lead to needless inefficiencies in the management of the Debtor’s businesses. Moreover, strict compliance with the requirements of section 345 of the Bankruptcy Code would not be practical in this chapter 11 case. A bond secured by the undertaking of a corporate surety would be prohibitively expensive, if such bond were available at all. The Debtor believes that the benefit of waiving the 345(b) requirement far outweighs any potential harm to the estate. See generally In re Serv. Merchandise Co., Inc., 240 B.R. 894 (Bankr. M.D. Tenn. 1999).

21. Lastly, the Court may exercise its equitable powers to grant the relief requested herein. Section 105(a) of the Bankruptcy Code empowers the Court to “issue any order, process, or judgment that is necessary to carry out the provisions of this title.” 11 U.S.C. § 105(a). Continuing the Cash Management System without interruption is vital to the efficient

and economic administration of this chapter 11 case. Therefore, it is within the Court's equitable power under section 105(a) to approve the continued use of the Cash Management System.

22. The cash management procedures described herein are similar to those employed by comparable corporate enterprises and the relief requested in this Motion is similar to relief granted in other large chapter 11 cases in this District.⁵ See, e.g., In re Lenox Sales, Inc., et al., Case No. 08-14679 (ALG) (Bankr. S.D.N.Y. 2008); In re Steve & Barry's Manhattan LLC, et al., Case No. 08-12579 (ALG) (Bankr. S.D.N.Y. 2008); In re Lexington Precision Corp., et al., Case No. 08-11153 (MG) (Bankr. S.D.N.Y. 2008); In re Silicon Graphics, Inc., et al., Case No. 06-10977 (BRL) (Bankr. S.D.N.Y. 2006); In re Atkins Nutritionals, Inc., et al., Case No. 05-15913 (ALG) (Bankr. S.D.N.Y. 2005); In re Footstar, Inc. et al., Case No. 04-22350 (ASH) (Bankr. S.D.N.Y. 2004); In re Loral Space & Communications Ltd., et al., Case No. 03-41710 (RDD) (Bankr. S.D.N.Y. 2003); In re TL Admin. Corp. (f/k/a Twinlab Corporation), et al., Case No. 03-15564 (CB) (Bankr. S.D.N.Y. 2003); In re Acterna Corporation, et al., Case No. 03-12837 (BRL) (Bankr. S.D.N.Y. 2003); In re Aerovias Nacionales de Colombia S.A. Avianca (In re Avianca, Inc.), Case Nos. 03-11678 and 03-11679 (ALG) (Bankr. S.D.N.Y. 2003); In re WorldCom, Inc., et al., Case No. 02-13533 (AJG) (Bankr. S.D.N.Y. 2002); In re Adelphia Bus. Solutions, Inc., et al., Case No. 02-11389 (REG) (Bankr. S.D.N.Y. 2002); In re Global Crossing Ltd., et al., Case No. 02-40188 (REG) (Bankr. S.D.N.Y. 2002).

**Maintenance of the Debtor's Existing
Bank Accounts and Business Forms Is Warranted**

23. Prior to the Petition Date and in the ordinary course of its businesses, the Debtor maintained 134 Bank Accounts with the financial institutions identified on **Exhibit A** annexed hereto.

⁵ Because of the voluminous nature of the unreported orders cited herein, they are not annexed to this Motion. Copies of these orders are available upon request of Debtor's counsel.

24. The Office of the United States Trustee's "Operating Guidelines and Financial Reporting Requirements Required in All Cases Under Chapter 11" mandate the closure of the Debtor's prepetition bank accounts, the opening of new accounts and the immediate printing of new checks with a "Debtor in Possession" designation on them. If the Debtor is required to comply with these guidelines, its operations would be severely harmed by the disruption, confusion, delay and cost that would most certainly result therefrom.

25. The Debtor believes, therefore, that its transition to chapter 11 will be more orderly, with a minimum of harm to operations and minimal costs, if all Bank Accounts are continued following the Petition Date with the same account numbers; provided, however, that checks issued on account of prepetition claims will not be honored, absent a prior order of the Court. By preserving business continuity and avoiding the disruption and delay to the Debtor's collection and disbursement procedures that would necessarily result from closing the Bank Accounts and opening new accounts, all parties in interest, including employees, vendors, and clients, will be best served. Accordingly, the Debtor respectfully requests authority to maintain the Bank Accounts in the ordinary course of business, to continue utilizing the Cash Management System to manage cash in a manner consistent with prepetition practices, and to pay any ordinary course Bank fees that may be incurred in connection with the Bank Accounts prior to or following the Petition Date.

26. Unless otherwise ordered by this Court, no Bank shall honor or pay any check issued on account of a prepetition claim. However, the Banks may honor any checks issued on account of prepetition claims where this Court has specifically authorized such checks to be honored. Furthermore, notwithstanding anything to the contrary in any other "first day" order or other order of this Court, the Debtor requests the Banks be authorized to accept and

honor all representations from the Debtor as to which checks should be honored or dishonored consistent with any order(s) of this Court, whether or not the checks are dated prior to, on, or subsequent to the Petition Date. The Banks shall not be liable to any party on account of following the Debtor's instructions or representations regarding which checks should be honored. The Banks shall also be permitted to accept and process chargebacks against the Bank Accounts arising out of returned deposits into such accounts without regard to the date such return item was deposited.

27. In other large chapter 11 cases, courts in this District have recognized that strict enforcement of the requirement that a debtor in possession close its prepetition bank accounts does not serve the rehabilitative process of chapter 11. Accordingly, this Court has waived those requirements and replaced them with similar alternative procedures.⁶ See, e.g., In re Lenox Sales, Inc., et al., Case No. 08-14679 (ALG) (Bankr. S.D.N.Y. 2008); In re Steve & Barry's Manhattan LLC, et al., Case No. 08-12579 (ALG) (Bankr. S.D.N.Y. 2008); In re Lexington Precision Corp., et al., Case No. 08-11153 (MG) (Bankr. S.D.N.Y. 2008); In re Footstar, Inc., et al., Case No. 04-22350 (ASH) (Bankr. S.D.N.Y. 2004); In re Loral Space & Communications Ltd., et al., 03-41710 (RDD) (Bankr. S.D.N.Y. 2003); In re TL Administration Corporation (f/k/a Twinlab Corporation), et al., Case No. 03-15564 (CB) (Bankr. S.D.N.Y. 2003); In re Acterna Corporation, et al., Case No. 03-12837 (BRL) (Bankr. S.D.N.Y. 2003); In re Aerovias Nacionales de Colombia S.A. Avianca (In re Avianca, Inc.), Case Nos. 03-11678 and 03-11679 (ALG) (Bankr. S.D.N.Y. 2003); In re WorldCom, Inc., et al., Case No. 02-13533 (AJG) (Bankr. S.D.N.Y. 2002); In re Adelphia Bus. Solutions, Inc., et al., Case No. 02-11389

⁶ As stated, because of the voluminous nature of the unreported orders cited herein, they are not annexed to this Motion. Copies of these orders are available upon request of Debtor's counsel.

(REG) (Bankr. S.D.N.Y. 2002); In re Global Crossing Ltd., et al., Case No. 02- 40188 (REG) (Bankr. S.D.N.Y. 2002). Similar authorization is appropriate in this chapter 11 case.

28. In addition, to minimize expenses, the Debtor further requests that it be authorized to continue to use its correspondence and business forms, including, but not limited to, purchase orders, invoices, multi-copy checks, letterhead, envelopes, promotional materials, and other business forms (collectively, the “Business Forms”), substantially in the forms existing immediately before the Petition Date, without reference to its status as debtor in possession; provided, however, that as soon as practicable after the Petition Date the Debtor shall print “Debtor in Possession” and the chapter 11 case number under which this case is being administered on any new check stock.

29. If the Debtor is not permitted to maintain and utilize its Bank Accounts and continue to use its existing Business Forms, the resulting prejudice will include, among other things, (i) disruption of the ordinary financial affairs and business operations of the Debtor, (ii) delay in the administration of the Debtor’s estate, and (iii) cost to the estate to set up new systems, open new accounts, and print new Business Forms.

30. Based on the foregoing, the Debtor submits that the relief requested is necessary and appropriate, is in the best interests of its estate and creditors, and should be granted in all respects.

NOTICE

31. The Debtor has served notice of this Motion on (i) the Office of the United States Trustee for the Southern District of New York (Attn: Serene Nakano, Esq.), (ii) SilvermanAcampora LLP, 100 Jericho Quadrangle, Suite 300, Jericho, New York 11753 (Attn: Ronald J. Friedman, Esq.) as counsel for Kuala Lumpur Kepong Berhad, (iii) the Debtor’s 30

largest unsecured creditors, and (iv) the Banks. In light of the nature of the relief requested, the Debtor submits that no other or further notice need be provided.

32. No previous request for the relief sought herein has been made by the Debtor to this or any other court.

WHEREFORE, the Debtor respectfully requests that the Court grant the relief requested herein and such other and further relief as is just and appropriate.

Dated: July 1, 2009
New York, New York

Respectfully submitted,

By: /s/ Lawrence C. Gottlieb
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Proposed Attorneys for Debtor and Debtor in Possession

EXHIBIT A

DEBTOR'S BANK ACCOUNTS

<u>Division</u>	<u>Account Description</u>	<u>Store No.</u>	<u>Bank Name</u>	<u>Account No.</u>
Corporate	Deposit Account	N/A	Citizens National Bank	194662
Corporate	Crabtree & Evelyn Operating Account	N/A	HSBC	629748403
Corporate	Crabtree & Evelyn Operating Account	N/A	Citibank	30440584
Corporate	C&E Controlled Disbursement Account	N/A	HSBC	797044132
Retail	BofA Consolidated	N/A	Bank of America	3752086829
Retail	Wells Fargo Consolidated	N/A	Wells Fargo	4945077030
Retail	Wachovia Consolidated	N/A	Wachovia Bank	200014990162
Retail	Perimeter	1	Bank of America	3751640059
Retail	Copley	4	Bank of America	4426314842
Retail	Burlington	6	Bank of America	4426314855
Retail	Sturbridge	8	Sovereign Bank	72800010562
Retail	Oakbrook	12	Republic Bank	193010801
Retail	Watertown	15	Chase Bank	001115001143307
Retail	Woodfield	16	Chase Bank	000370000142867
Retail	West Farms	17	Farmington Savings Bank	20352601
Retail	Pheasant Lane	22	Bank of America	4426314868
Retail	Broadway Plaza	24	Bank of America	3751640062
Retail	Southdale	25	Marshall & Ilsley Bank	1631608
Retail	Bethesda	27	Wachovia Bank	2000021574830
Retail	Lakeside Mall	29	Capital One	672133238
Retail	Alamoana	31	Bank of Hawaii	0017016466
Retail	Short Hills	35	Bank of America	4426314868
Retail	Rockefeller	36	Chase Bank	007113986
Retail	Cape Code	42	Citizens Bank	1102110741
Retail	Danbury	43	Wachovia Bank	2000021574843
Retail	Tysons Corner	47	Bank of America	4426314978

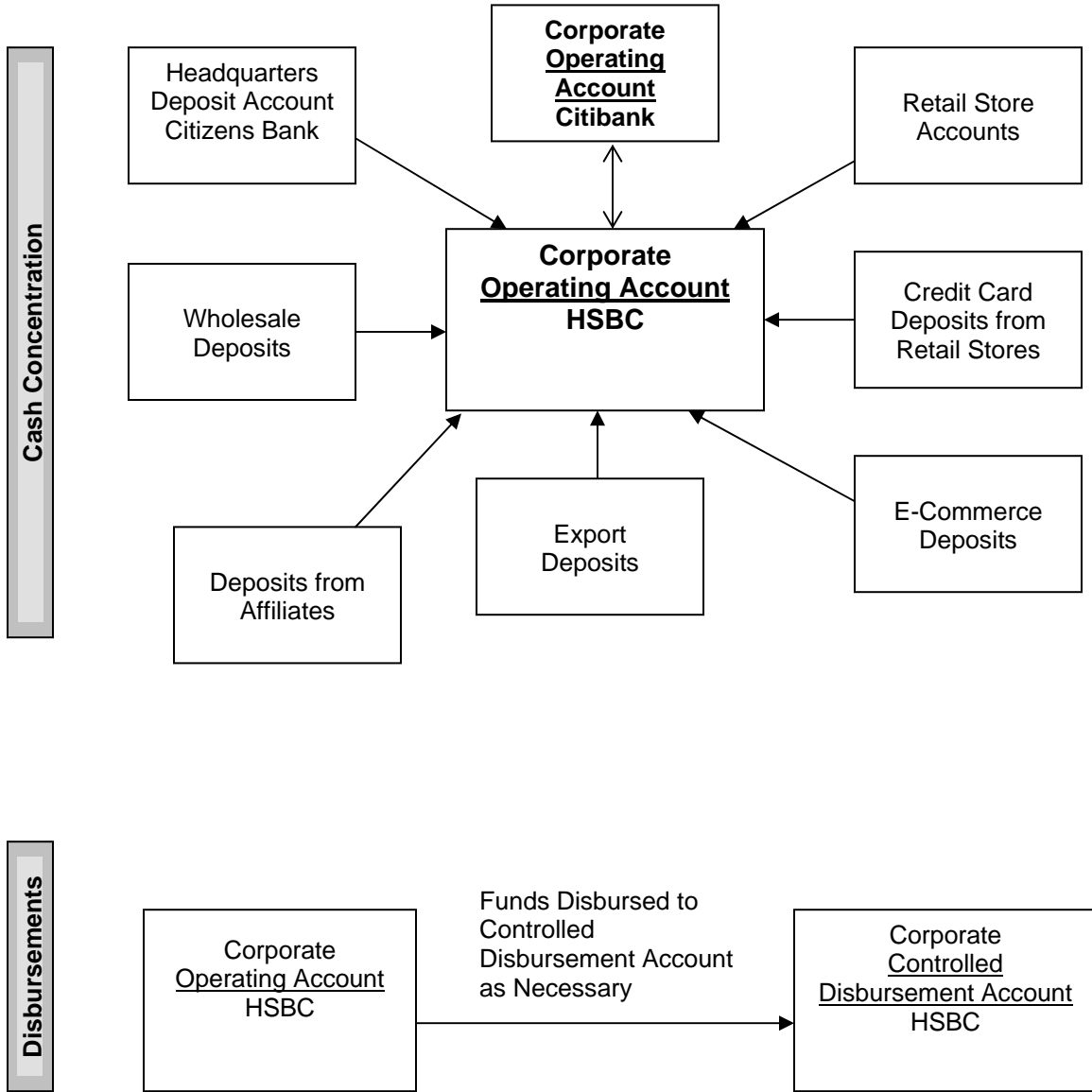
<u>Division</u>	<u>Account Description</u>	<u>Store No.</u>	<u>Bank Name</u>	<u>Account No.</u>
Retail	Worthington	50	Chase Bank	736083767
Retail	Valley Fair	53	Bank of America	3751640075
Retail	Embarcadero	55	Bank of America	3751640088
Retail	Releigh	65	Bank of America	3751640091
Retail	Bridgewater	67	Bank of America	4426314897
Retail	Bellevue	72	Wells Fargo Consolidated	4944435353
Retail	So. Pointe	76	PNC Bank	0001246686
Retail	Pentagon City	85	Chevy Chase Bank	1074300912
Retail	Freeport	87	Key Bank	29203857
Retail	Arden Fair	93	Wells Fargo Consolidated	4944436179
Retail	Cherry Creek	94	American National Bank	1684571
Retail	Manchester	100	Berkshire Bank	1129503
Retail	Brea Mall	101	Bank of America	3751640114
Retail	Boca Raton	102	Bank of America	1611807681
Retail	Coronado Center	104	Bank of America	3751640127
Retail	Mall of America	107	US Bank	104777279233
Retail	Carousel Mall	108	M & T Bank	9837517607
Retail	Annapolis	109	Wachovia Bank	2000021574869
Retail	The Oaks	111	Bank of America	3751640130
Retail	Madison Ave.	115	Wachovia Bank	200021579097
Retail	Ardmore	116	Wachovia Bank	2000021575978
Retail	King Of Prussia	117	Wachovia Bank	2000021574872
Retail	Liberty Ii	119	Wachovia Bank	2000021575907
Retail	Willow Grove	120	Bank of America	3756602021
Retail	Cherry Hill	121	Bank of America	4426314907
Retail	Santa Rosa	122	Bank of America	3751640143
Retail	Nashville	123	SunTrust	0000001764748
Retail	Glendale Mall	125	Community Bank	3159050
Retail	Overland	127	Hillcrest Bank	10000418
Retail	Century City	129	Union Bank of California	2060157203
Retail	Paramus	132	Chase Bank	574501004065
Retail	Faneuil Hall	138	Bank of America	4426314910
Retail	Aventura Mall	140	Bank of America	1596246738
Retail	Natick	142	Bank of America	4426314936
Retail	Washington Sq	143	Wells Fargo Consolidated	4944436203
Retail	Staten Island	144	Sovereign Bank	386001804
Retail	Old Orchard	147	First American Bank	19712204
Retail	Brooks Corner	148	Chase Bank	5601046658
Retail	West Town	149	First Tennessee Bank	004257537
Retail	Stamford	151	Bank of America	4426314936
Retail	Westchester	152	Chase Bank	6702103655
Retail	Palo Alto	154	Bank of America	3751640169

<u>Division</u>	<u>Account Description</u>	<u>Store No.</u>	<u>Bank Name</u>	<u>Account No.</u>
Retail	Victor, NY	155	Canandaigua National	0950374901
Retail	Cabazon	156	Bank of America	3751640172
Retail	Myrtle Beach	159	BB&T	1410000409615
Retail	Berkeley	162	SunTrust	0000201637359
Retail	Roosevelt Fld	163	Citibank	9932193720
Retail	Twelve Oaks	165	LaSalle Bank Midwest	5400119110
Retail	Richmond	166	Bank of America	3751640185
Retail	Beachwood	167	Ohio Savings Bank	00219004959
Retail	Gilroy	170	Bank of America	3751640198
Retail	Winston-Salem	172	Bank of America	4426302702
Retail	Buffalo	175	Key Bank	327190050101
Retail	Grove City	181	National City	549519731
Retail	San Marcos	182	Frost National Bank	420002437
Retail	South Coast Plaza	184	Bank of America	3751640224
Retail	Willow Bend	185	Bank of America	3751826718
Retail	Little Rock	186	US Bank	004341138230
Retail	St. Louis	187	Bank of America	3751640237
Retail	Wrentham	188	Wrentham Co-Operative	16004848
Retail	Germantown	189	Regions Bank	3500323217
Retail	Kenwood	190	US Bank	130104287748
Retail	Utc	193	Wells Fargo Consolidated	4944436237
Retail	Polaris	195	Chase Bank	000000645606708
Retail	Stonecrest	197	Bank of America	3756288681
Retail	Streets @ Southpointe	199	Bank of America	3751640253
Retail	Burlington Town Ctr	200	Key Bank	454680049615
Retail	Chandler	202	Bank of America	3751640266
Retail	Avenue of the Penns.	203	Union Bank of California	0730022581
Retail	Garden State Plaza	204	Bank of America	4426314949
Retail	Scottsdale	205	Bank of America	3751640279
Retail	Mall @ Millenia	207	Bank of America	3751640295
Retail	Miromar	208	Bank of America	3756225576
Retail	Southpark	210	Wachovia Bank	2000021574911
Retail	Colorado Mills	211	1st Bank of Colorado	9195550866
Retail	Merrick Park	212	Bank of America	3751640305
Retail	Las Vegas	213	Nevada State Bank	002102085
Retail	Chicago Premium Outlets	214	National Bank	700971
Retail	Towson	215	Bank of America	3751640318
Retail	Columbia	216	Bank of America	3751640321
Retail	Columbus Circle	218	Bank of America	4426314952
Retail	Woodbury	219	Walden Federal	5311931
Retail	Citrus Park	220	Bank of America	3756225589
Retail	Silver Sands	221	Regions Bank	0036208558

<u>Division</u>	<u>Account Description</u>	<u>Store No.</u>	<u>Bank Name</u>	<u>Account No.</u>
Retail	Alderwood Mall	223	Bank of America	3756557642
Retail	Monroeville Mall	225	National City	981360758
Retail	Jersey Shore Outlet	226	Chase Bank	745365676
Retail	Great Lakes Crossing	227	LaSalle Bank Midwest	5404019795
Retail	Stony Brook	229	Capital One	6324022000
Retail	Rockefeller 2	230	Chase Bank	007113986
Retail	Seattle Premium Outlets	231	Bank of America	3756617142
Retail	Victoria Gardens	233	Wells Fargo Consolidated	4944485366
Retail	Crestview Hills	234	US Bank	145800875661
Retail	Leesburg	235	Bank of America	4426280701
Retail	Roundrock	236	Chase Bank	000000721318814
Retail	Mercedes	237	Lone Star National Bank	1725004631
Retail	Patridge Creek	238	Chase Bank	758317804
Retail	Las Vegas Town Square	239	Bank of America	3751640156
Retail	Pleasant Prairie	240	Johnson Bank	1001117131
Retail	Philadelphia Prem Outlet	241	Citizens Bank	6218333683
Retail	Pembroke Gardens	242	Wachovia Bank	2000021574911
Retail	Dawsonville	243	United Community Bank	2036132153
Retail	Murfreesboro	244	Regions Bank	7100459992
Retail	Bridge Street	245	Wachovia Bank	2000021574911
Retail	Jeffersonville	246	Security National Bank	906824
Retail	Orlando Prem. Outlet	247	Bank of America	3751640334
Retail	Patriots Place	248	Sovereign Bank	10022309115
Retail	Employee Store	899	Citizens National Bank	195138

EXHIBIT B

CASH MANAGEMENT SYSTEM



**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X
In re : **Chapter 11**
:
CRABTREE & EVELYN, LTD., : **Case No. 09-_____ (___)**
:
Debtor. :
:
----- X

**ORDER PURSUANT TO SECTIONS 105(a), 363(c), 345(b) AND 364(a) OF THE
BANKRUPTCY CODE AUTHORIZING DEBTOR TO (I) CONTINUE TO USE
EXISTING CASH MANAGEMENT SYSTEM, (II) TO MAINTAIN EXISTING
BANK ACCOUNTS AND BUSINESS FORMS, AND (III) WAIVE
REQUIREMENTS OF SECTION 345(b) OF THE BANKRUPTCY CODE**

Upon the motion, dated July 1, 2009 (the “Motion”),¹ of Crabtree & Evelyn, Ltd. in the above-referenced chapter 11 case, as debtor and debtor in possession (the “Debtor”),² for an order, pursuant to sections 105(a), 363(c), 345(b) and 364(a) of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) for (A) authorization to continue to use its existing cash management system (the “Cash Management System”) and to maintain existing bank accounts (the “Bank Accounts”) and business forms (the “Business Forms”), and (B) a waiver of section 345(b) of the Bankruptcy Code, all as more fully set forth in the Motion; and upon consideration of the Declaration of Stephen W. Bestwick pursuant to Local Rule 1007-2; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order of Referral of Cases to Bankruptcy Judges of the District Court for the Southern District of New York, dated July 19, 1984 (Ward, Acting C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant

¹ Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Motion.

² The last four digits of the Debtor’s federal tax identification number are 1685.

to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Southern District of New York (Attn: Serene Nakano, Esq.), (ii) SilvermanAcampora LLP, 100 Jericho Quadrangle, Suite 300, Jericho, New York 11753 (Attn: Ronald J. Friedman, Esq.) as counsel for Kuala Lumpur Kepong Berhad, (iii) the Debtor's 30 largest unsecured creditors, and (iv) the Banks, and it appearing that no other or further notice need be provided; and the Court having determined that the relief requested in the Motion being in the best interests of the Debtor, its creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Motion is granted to the extent provided herein; and it is further

ORDERED that the Debtor is authorized and empowered, pursuant to sections 105(a) and 363(c)(1) of the Bankruptcy Code, to continue to manage its cash pursuant to the Cash Management System maintained by the Debtor before the commencement of this chapter 11 case and under the terms of the Service Agreements (as defined below), and to collect, concentrate, and disburse cash in accordance with that Cash Management System; and it is further

ORDERED that the Debtor is authorized to: (i) designate, maintain and continue to use any or all of its existing Bank Accounts, including but not limited to the Bank Accounts with those banks (the "Banks") listed on Exhibit A annexed hereto, in the names and with the account numbers existing immediately prior to the commencement of this chapter 11 case,

(ii) deposit funds into and withdraw funds from such accounts by all usual means including, without limitation, checks, wire transfers, automated transfers and other debits, and (iii) treat its prepetition Bank Accounts for all purposes as debtor in possession accounts; and it is further

ORDERED that all Banks with whom the Debtor maintains Bank Accounts are authorized to maintain, service, and administer the Bank Accounts and any other accounts opened postpetition in accordance with applicable non-bankruptcy law and in accordance with the service agreements and related documentation between the Debtor and its respective Banks (the “Service Agreements”), and the same may be amended from time to time, including by lifting any administrative or debit freeze placed on any of the Bank Accounts as a consequence of the filing of the petition commencing this case; and it is further

ORDERED that unless otherwise ordered by this Court, no Bank shall honor or pay any check issued or dated prior to the Petition Date; provided, however, that any such Bank may rely on the representations of the Debtor with respect to whether any check or other transfer drawn or issued by the Debtor prior to the Petition Date should be honored pursuant to an Order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtor as provided for herein; and it is further

ORDERED that the Debtor is directed to maintain records of each and every transfer within the Cash Management System occurring postpetition to the same extent maintained by the Debtor prior to the Petition Date, such that all postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, the Debtor’s books and records; and it is further

ORDERED that the Debtor’s continued use of its Cash Management System shall be deemed to comply with section 345 of the Bankruptcy Code, and the Debtor is relieved from

the obligations pursuant to section 345(b) of the Bankruptcy Code to obtain a bond from any entity for any of the other Bank Accounts; and it is further

ORDERED that nothing contained herein shall prevent the Debtor from opening any additional bank accounts, or closing any existing Bank Account(s), as it may deem necessary and appropriate, and the Banks are authorized to honor the Debtor's requests to open or close, as the case may be, such Bank Accounts or additional bank accounts at an authorized depository (unless otherwise agreed by the Office of the United States Trustee for the Southern District of New York); and it is further

ORDERED that, pursuant to section 364(a) of the Bankruptcy Code, the Debtor is authorized in connection with the ordinary operation of its Cash Management System to obtain unsecured credit and incur unsecured debt in the ordinary course of business without notice and a hearing; and it is further

ORDERED that the Debtor is authorized to use its existing Business Forms, including, check stock; provided, however, that as soon as practicable after the Petition Date the Debtor shall print "Debtor In Possession" and the chapter 11 case number under which this case is being administered on any new check stock; and it is further

ORDERED that the Debtor is authorized and shall (i) pay undisputed prepetition amounts outstanding as of the date hereof, if any, owed to its Banks as service charges for the maintenance of the Cash Management System, and (ii) reimburse the Banks for any claims arising, or chargebacks of deposits made, before or after the Petition Date in connection with customer checks or other deposits into the Bank Accounts that have been dishonored or returned for any reason, together with any fees and costs in connection therewith, to the same extent the

Debtor is responsible therefor by operation of non-bankruptcy law or under the terms of the Service Agreements with the Banks; and it is further

ORDERED that within two (2) business days after the entry of this Order, the Debtor shall serve a copy of this Order on the Banks; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order; and it is further

ORDERED that notice of the Motion as provided herein shall be deemed good and sufficient notice of such Motion.

Dated: _____, 2009
New York, New York

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

DEBTOR'S BANK ACCOUNTS

<u>Division</u>	<u>Account Description</u>	<u>Store No.</u>	<u>Bank Name</u>	<u>Account No.</u>
Corporate	Deposit Account	N/A	Citizens National Bank	194662
Corporate	Crabtree & Evelyn Operating Account	N/A	HSBC	629748403
Corporate	Crabtree & Evelyn Operating Account	N/A	Citibank	30440584
Corporate	C&E Controlled Disbursement Account	N/A	HSBC	797044132
Retail	BofA Consolidated	N/A	Bank of America	3752086829
Retail	Wells Fargo Consolidated	N/A	Wells Fargo	4945077030
Retail	Wachovia Consolidated	N/A	Wachovia Bank	200014990162
Retail	Perimeter	1	Bank of America	3751640059
Retail	Copley	4	Bank of America	4426314842
Retail	Burlington	6	Bank of America	4426314855
Retail	Sturbridge	8	Sovereign Bank	72800010562
Retail	Oakbrook	12	Republic Bank	193010801
Retail	Watertown	15	Chase Bank	001115001143307
Retail	Woodfield	16	Chase Bank	000370000142867
Retail	West Farms	17	Farmington Savings Bank	20352601
Retail	Pheasant Lane	22	Bank of America	4426314868
Retail	Broadway Plaza	24	Bank of America	3751640062
Retail	Southdale	25	Marshall & Ilsley Bank	1631608
Retail	Bethesda	27	Wachovia Bank	2000021574830
Retail	Lakeside Mall	29	Capital One	672133238
Retail	Alamoana	31	Bank of Hawaii	0017016466
Retail	Short Hills	35	Bank of America	4426314868
Retail	Rockefeller	36	Chase Bank	007113986
Retail	Cape Code	42	Citizens Bank	1102110741
Retail	Danbury	43	Wachovia Bank	2000021574843
Retail	Tysons Corner	47	Bank of America	4426314978
Retail	Worthington	50	Chase Bank	736083767

<u>Division</u>	<u>Account Description</u>	<u>Store No.</u>	<u>Bank Name</u>	<u>Account No.</u>
Retail	Valley Fair	53	Bank of America	3751640075
Retail	Embarcadero	55	Bank of America	3751640088
Retail	Releigh	65	Bank of America	3751640091
Retail	Bridgewater	67	Bank of America	4426314897
Retail	Bellevue	72	Wells Fargo Consolidated	4944435353
Retail	So. Pointe	76	PNC Bank	0001246686
Retail	Pentagon City	85	Chevy Chase Bank	1074300912
Retail	Freeport	87	Key Bank	29203857
Retail	Arden Fair	93	Wells Fargo Consolidated	4944436179
Retail	Cherry Creek	94	American National Bank	1684571
Retail	Manchester	100	Berkshire Bank	1129503
Retail	Brea Mall	101	Bank of America	3751640114
Retail	Boca Raton	102	Bank of America	1611807681
Retail	Coranado Center	104	Bank of America	3751640127
Retail	Mall of America	107	US Bank	104777279233
Retail	Carousel Mall	108	M & T Bank	9837517607
Retail	Annapolis	109	Wachovia Bank	2000021574869
Retail	The Oaks	111	Bank of America	3751640130
Retail	Madison Ave.	115	Wachovia Bank	200021579097
Retail	Ardmore	116	Wachovia Bank	2000021575978
Retail	King Of Prussia	117	Wachovia Bank	2000021574872
Retail	Liberty li	119	Wachovia Bank	2000021575907
Retail	Willow Grove	120	Bank of America	3756602021
Retail	Cherry Hill	121	Bank of America	4426314907
Retail	Santa Rosa	122	Bank of America	3751640143
Retail	Nashville	123	SunTrust	0000001764748
Retail	Glendale Mall	125	Community Bank	3159050
Retail	Overland	127	Hillcrest Bank	10000418
Retail	Century City	129	Union Bank of California	2060157203
Retail	Paramus	132	Chase Bank	574501004065
Retail	Faneuil Hall	138	Bank of America	4426314910
Retail	Aventura Mall	140	Bank of America	1596246738
Retail	Natick	142	Bank of America	4426314936
Retail	Washington Sq	143	Wells Fargo Consolidated	4944436203
Retail	Staten Island	144	Sovereign Bank	386001804
Retail	Old Orchard	147	First American Bank	19712204
Retail	Brooks Corner	148	Chase Bank	5601046658
Retail	West Town	149	First Tennessee Bank	004257537
Retail	Stamford	151	Bank of America	4426314936
Retail	Westchester	152	Chase Bank	6702103655
Retail	Palo Alto	154	Bank of America	3751640169
Retail	Victor, NY	155	Canandaigua National	0950374901

<u>Division</u>	<u>Account Description</u>	<u>Store No.</u>	<u>Bank Name</u>	<u>Account No.</u>
Retail	Cabazon	156	Bank of America	3751640172
Retail	Myrtle Beach	159	BB&T	1410000409615
Retail	Berkeley	162	SunTrust	0000201637359
Retail	Roosevelt Fld	163	Citibank	9932193720
Retail	Twelve Oaks	165	LaSalle Bank Midwest	5400119110
Retail	Richmond	166	Bank of America	3751640185
Retail	Beachwood	167	Ohio Savings Bank	00219004959
Retail	Gilroy	170	Bank of America	3751640198
Retail	Winston-Salem	172	Bank of America	4426302702
Retail	Buffalo	175	Key Bank	327190050101
Retail	Grove City	181	National City	549519731
Retail	San Marcos	182	Frost National Bank	420002437
Retail	South Coast Plaza	184	Bank of America	3751640224
Retail	Willow Bend	185	Bank of America	3751826718
Retail	Little Rock	186	US Bank	004341138230
Retail	St. Louis	187	Bank of America	3751640237
Retail	Wrentham	188	Wrentham Co-Operative	16004848
Retail	Germantown	189	Regions Bank	3500323217
Retail	Kenwood	190	US Bank	130104287748
Retail	Utc	193	Wells Fargo Consolidated	4944436237
Retail	Polaris	195	Chase Bank	000000645606708
Retail	Stonecrest	197	Bank of America	3756288681
Retail	Streets @ Southpointe	199	Bank of America	3751640253
Retail	Burlington Town Ctr	200	Key Bank	454680049615
Retail	Chandler	202	Bank of America	3751640266
Retail	Avenue of the Penns.	203	Union Bank of California	0730022581
Retail	Garden State Plaza	204	Bank of America	4426314949
Retail	Scottsdale	205	Bank of America	3751640279
Retail	Mall @ Millenia	207	Bank of America	3751640295
Retail	Miromar	208	Bank of America	3756225576
Retail	Southpark	210	Wachovia Bank	2000021574911
Retail	Colorado Mills	211	1st Bank of Colorado	9195550866
Retail	Merrick Park	212	Bank of America	3751640305
Retail	Las Vegas	213	Nevada State Bank	002102085
Retail	Chicago Premium Outlets	214	National Bank	700971
Retail	Towson	215	Bank of America	3751640318
Retail	Columbia	216	Bank of America	3751640321
Retail	Columbus Circle	218	Bank of America	4426314952
Retail	Woodbury	219	Walden Federal	5311931
Retail	Citrus Park	220	Bank of America	3756225589
Retail	Silver Sands	221	Regions Bank	0036208558
Retail	Alderwood Mall	223	Bank of America	3756557642

<u>Division</u>	<u>Account Description</u>	<u>Store No.</u>	<u>Bank Name</u>	<u>Account No.</u>
Retail	Monroeville Mall	225	National City	981360758
Retail	Jersey Shore Outlet	226	Chase Bank	745365676
Retail	Great Lakes Crossing	227	LaSalle Bank Midwest	5404019795
Retail	Stony Brook	229	Capital One	6324022000
Retail	Rockefeller 2	230	Chase Bank	007113986
Retail	Seattle Premium Outlets	231	Bank of America	3756617142
Retail	Victoria Gardens	233	Wells Fargo Consolidated	4944485366
Retail	Crestview Hills	234	US Bank	145800875661
Retail	Leesburg	235	Bank of America	4426280701
Retail	Roundrock	236	Chase Bank	000000721318814
Retail	Mercedes	237	Lone Star National Bank	1725004631
Retail	Patridge Creek	238	Chase Bank	758317804
Retail	Las Vegas Town Square	239	Bank of America	3751640156
Retail	Pleasant Prairie	240	Johnson Bank	1001117131
Retail	Philadelphia Prem Outlet	241	Citizens Bank	6218333683
Retail	Pembroke Gardens	242	Wachovia Bank	2000021574911
Retail	Dawsonville	243	United Community Bank	2036132153
Retail	Murfreesboro	244	Regions Bank	7100459992
Retail	Bridge Street	245	Wachovia Bank	2000021574911
Retail	Jeffersonville	246	Security National Bank	906824
Retail	Orlando Prem. Outlet	247	Bank of America	3751640334
Retail	Patriots Place	248	Sovereign Bank	10022309115
Retail	Employee Store	899	Citizens National Bank	195138