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Hearing Date and Time: October 20, 2009 at 10:00 a.m. (Eastern)
Objection Deadline: October 15, 2009 at 4:00 p.m. (Eastern)

Attorneys for Debtor and Debtor in Possession

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

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In re : **Chapter 11**
CRABTREE & EVELYN, LTD., :
Debtor. : **Case No. 09-14267 (BRL)**
----- X

**NOTICE OF MOTION PURSUANT TO
SECTION 1121(d) OF THE BANKRUPTCY CODE TO
EXTEND THE EXCLUSIVE PERIODS FOR THE FILING OF
A CHAPTER 11 PLAN AND SOLICITATION OF ACCEPTANCES THEREOF**

PLEASE TAKE NOTICE that a hearing on the annexed Motion of Crabtree & Evelyn, Ltd., as debtor and debtor in possession (the “Debtor”),¹ Pursuant to Section 1121(d) of the Bankruptcy Code to Extend the Exclusive Periods for the Filing of a Chapter 11 Plan and Solicitation of Acceptances Thereof (the “Motion”), will be held before the Honorable Burton R. Lifland, United States Bankruptcy Judge, Room 623 of the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, on **October 20, 2009 at 10:00 a.m. (prevailing Eastern Time)**, or as soon thereafter as counsel may be heard.

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

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Motion, must be in writing, must conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the Southern District of New York, must set forth the name of the objecting party, the nature and amount of claims or interests held or asserted by the objecting party against the Debtor's estate or property, the basis for the objection and the specific grounds therefor, and must be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User's Manual for the Electronic Case Filing System may be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court) by registered users of the Bankruptcy Court's case filing system, and by all other parties in interest on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers), in accordance with General Order M-182, and any objection must further be served upon: (i) the Debtor, 102 Peake Brook Road, Woodstock, CT 06281 (Attn.: Colleen Cording, Esq.), (ii) counsel to the Debtor, Cooley Godward Kronish LLP, 1114 Avenue of the Americas, New York, New York 10036 (Attn: Lawrence C. Gottlieb, Esq. and Richelle Kalnit, Esq.), (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Serene Nakano, Esq.), (iv) SilvermanAcampora LLP, 100 Jericho Quadrangle, Suite 300, Jericho, New York 11753 (Attn: Ronald J. Friedman, Esq.) as counsel for Kuala Lumpur Kepong Berhad, and (v) Hahn & Hessen LLP, 488 Madison Avenue, 15th Floor, New York, New York 10022 (Attn: Mark Indelicato, Esq.), as counsel for the statutory committee of unsecured creditors, so as to be received no later than **October 15, 2009 at 4:00 p.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that if no objections to the Motion are timely filed, served and received in accordance with this Notice, the Bankruptcy Court may grant the relief requested in the Motion without further notice or hearing.

Dated: September 25, 2009
New York, New York

Respectfully submitted,

By: /s/ Lawrence C. Gottlieb
Lawrence C. Gottlieb

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Attorneys for Debtor and Debtor in Possession

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

----- X
In re : Chapter 11
CRABTREE & EVELYN, LTD., :
Debtor. : Case No. 09-14267 (BRL)
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**DEBTOR’S MOTION PURSUANT TO
SECTION 1121(d) OF THE BANKRUPTCY CODE TO
EXTEND THE EXCLUSIVE PERIODS FOR THE FILING OF
A CHAPTER 11 PLAN AND SOLICITATION OF ACCEPTANCES THEREOF**

TO THE HONORABLE BURTON R. LIFLAND
UNITED STATES BANKRUPTCY JUDGE:

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

Background

1. On July 1, 2009 (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 possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On July 10, 2009, the

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

Office of the United States Trustee appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the “Committee”).

2. Crabtree & Evelyn has evolved from a small, entrepreneurial business, to a company with worldwide manufacturing and distribution capabilities, worldwide distribution channels and 96 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 96 stores in the United States. In 1996, Kuala Lumpur Kepong Berhad purchased 100 percent of the equity of the Debtor. The Debtor is incorporated in Connecticut, and its headquarters, distribution center, manufacturing facility, and warehouse are located in Woodstock, Connecticut.

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.

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 31 states.

Jurisdiction

5. The Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. sections 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. section 157(b)(2). Venue is proper before the Court pursuant to 28 U.S.C. sections 1408 and 1409.

Relief Requested

6. The Debtor has made substantial progress advancing this chapter 11 case. As described more fully in the Debtor's motion to extend the deadline to assume or reject leases under section 365(d)(4) of the Bankruptcy Code, filed contemporaneously herewith, the Debtor has been diligently working with its landlords to achieve important rent concessions. In addition, the Debtor has spent considerable time formulating a business plan. Moreover, the Debtor is in the preliminary stages of considering potential structures of a plan of reorganization, and anticipates facilitating discussions between the Committee and the Debtor's parent, Kuala Lumpur Kepong Berhad ("KLK") regarding funding of an exit facility.

7. This is the Debtor's first request of an extension of (i) the exclusive period to file a chapter 11 plan of reorganization (the "Exclusive Plan Period"), currently set to expire on October 29, 2009, and (ii) the exclusive right to solicit acceptance for such a plan (the "Exclusive Solicitation Period" and together with the Exclusive Plan Period, the "Exclusive Periods"), currently set to expire 60 days after the Exclusive Plan Period (*i.e.*, December 28, 2009). The Debtor requests an extension of the Exclusive Periods by ninety (90) days (*i.e.*, an

extension of the Exclusive Plan Period to January 27, 2010, and the Exclusive Solicitation Period to March 29, 2010). The Debtor anticipates filing a chapter 11 plan of reorganization within the Exclusive Plan Period.

Basis for Relief Requested

8. The primary objective of a chapter 11 case is the formulation, confirmation, and consummation of a consensual chapter 11 plan. Section 1121(b) of the Bankruptcy Code provides for an initial period of 120 days after the commencement of a chapter 11 case during which a debtor has the exclusive right to propose and file a chapter 11 plan. See 11 U.S.C. § 1121(b). Section 1121(c)(3) of the Bankruptcy Code provides that, if a debtor files a plan within the 120-day Exclusive Plan Period, it has a period of 180 days after the commencement of the case to obtain acceptance of such plan, during which time competing plans may not be filed. See id. at § 1121(c)(3). The Exclusive Periods are intended to afford a debtor a full and fair opportunity to propose a consensual plan and solicit acceptances of such plan without the deterioration and disruption that is likely to be caused by the filing of competing plans by non-debtor parties.

9. Pursuant to section 1121(d) of the Bankruptcy Code, where the initial 120-day and 180-day Exclusive Periods provided for in the Bankruptcy Code prove to be an unrealistic time frame for proposal and solicitation of a plan, the Court may extend a debtor's Exclusive Periods for cause. See id. at § 1121(d). Although the Bankruptcy Code does not define the term "cause," the legislative history indicates it is intended to be a flexible standard to balance the competing interests of a debtor and its creditors. See H.R. REP. NO. 95-595, at 231-32 (1978), reprinted in 1978 U.S.C.C.A.N. 5963, 6191 (noting that Congress intended to give bankruptcy courts flexibility to protect a debtor's interests by allowing unimpeded opportunity to negotiate settlement of debts without interference from other parties in interest).

10. In determining whether cause exists to extend the Exclusive Periods, a court may consider a variety of factors to assess the totality of circumstances in each case. See In re McLean Indus., Inc., 87 B.R. 830, 834 (Bankr. S.D.N.Y. 1987) (identifying the factors used by courts to determine whether cause exists to extend exclusivity); In re Dow Corning Corp., 208 B.R. 661, 664, 670 (Bankr. E.D. Mich 1997); In re Express One Int'l, Inc., 194 B.R. 98, 100 (Bankr. E.D. Tex. 1996). Those factors include, without limitation:

- (a) the size and complexity of the debtor's case;
- (b) the existence of good-faith progress towards reorganization;
- (c) a finding that the debtor is not seeking to extend exclusivity to pressure creditors "to accede to [the debtor's] reorganization demands;"
- (d) existence of an unresolved contingency; and
- (e) the fact that the debtor is paying its bills as they come due.

See, e.g., McLean Indus., 87 B.R. at 834 (citations omitted); accord In re Express One Int'l, Inc., 194 B.R. at 100 (identifying four of the five above-quoted factors, among others, as relevant in determining whether "cause" exists to extend exclusivity); In re United Press Int'l, Inc., 60 B.R. 265, 269 (Bankr. D.D.C. 1986) (holding that the debtor showed "cause" to extend its exclusivity period based upon certain of above-quoted factors).

11. An application of the aforementioned standards to the facts of this chapter 11 case demonstrates sufficient "cause" to grant the Debtor's requested extension of the Exclusive Periods so that it may have a full and fair opportunity to propose a plan and solicit acceptances thereon.

12. The Debtor's chapter 11 case is complex, involving several hundred employees, 126 leases (as of the Petition Date), and the operation of a sophisticated business enterprise. This chapter 11 case thus requires the Debtor to devote substantial time to its role as

a debtor in possession, including the review of 126 leases. Courts in this district routinely extend the Exclusive Periods in cases of similar complexity. See In re Value City Holdings, Inc., Case No. 08-14197 (JMP) (Bankr. S.D.N.Y. Feb. 19, 2009) (exclusivity initially extended for 120 days); In re Frontier Airlines Holdings, Inc., Case No. 08-11298 (RDD) (Bankr. S.D.N.Y. Aug. 5, 2008) (exclusivity initially extended for 180 days).

13. In addition to attending to the routine operation of its business and the extraordinary transition to a debtor in possession — each a complex and time-consuming task in its own right — the Debtor has made significant headway in this chapter 11 case. Not only has the Debtor addressed numerous issues raised by employees, vendors, landlords, and other parties in interest, and worked with the Office of the U.S. Trustee to comply with reporting requirements under the Bankruptcy Code, the Debtor has also prepared a business plan and has initiated productive conversations with KLK, its parent, regarding the terms of exit financing.

14. Although the Debtor has made this substantial progress, there remain numerous issues that require the extension of the Exclusive Periods. The Debtor anticipates facilitating discussions with the Committee and KLK concerning plan funding and the terms of an exit facility. In addition, while the Debtor has made substantial progress on its business plan, it has yet to fully develop potential structures for a plan of reorganization. While the Debtor has spent significant time pursuing these issues, more time is needed to complete negotiations with various constituencies in this case and propose a corresponding plan. In addition, the Debtor continues to evaluate its unexpired leases and work on restructuring its operational and geographic footprint in connection therewith. As noted above, by a motion filed contemporaneously herewith, the Debtor seeks to extend the time to assume or reject its unexpired leases. These leases pertain to properties that represent the bulk of the Debtor's

operations by revenue. An extension of the Exclusive Periods will allow the Debtor to continue finalizing the terms of a chapter 11 plan of reorganization while simultaneously implementing its business plan.

15. Finally, an extension of the Exclusive Periods will not prejudice any party in interest in this chapter 11 case because the Debtor is continuing to meet its postpetition obligations as they come due, including lease and vendor obligations.

16. Accordingly, the Debtor requests that the Court extend the Exclusive Periods as provided herein.

Notice

17. 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) Hahn & Hessen LLP, 488 Madison Avenue, 15th Floor, New York, New York 10022 (Attn: Mark Indelicato, Esq.), as counsel for the Committee, and (iv) parties in interest who have filed notices of appearance in this case. In light of the nature of the relief requested, the Debtor submits that no other or further notice need be provided.

18. No motion for the relief requested herein has been made to this or any other Court.

WHEREFORE the Debtor respectfully requests entry of an order extending the Exclusive Plan Period to January 27, 2010 and the Exclusive Solicitation Period to March 29, 2010, and such other and further relief as it deems just and proper.

Dated: September 25, 2009
New York, New York

Respectfully submitted,

By: /s/ Lawrence C. Gottlieb
Lawrence C. Gottlieb

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Attorneys for Debtor and
Debtor in Possession

Proposed Order

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

----- x
In re : **Chapter 11**
CRABTREE & EVELYN, LTD., :
Debtor. : **Case No. 09-14267 (BRL)**
----- x

**ORDER PURSUANT TO SECTION 1121(D) OF THE BANKRUPTCY
CODE TO EXTEND THE EXCLUSIVE PERIODS FOR THE FILING OF
A CHAPTER 11 PLAN AND SOLICITATION OF ACCEPTANCES THEREOF**

Upon the motion (the “Motion”)¹ filed by the debtor and debtor in possession in the above captioned case (the “Debtor”), pursuant to section 1121(d)(4) of title 11 of the United States Code (the “Bankruptcy Code”), to extend the exclusive periods for the filing of a chapter 11 plan and solicitation of acceptance thereof, as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant 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, and it appearing that no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtor and its estate and creditors; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court (the “Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for

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

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

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

ORDERED that, pursuant to section 1121(d) of the Bankruptcy Code, the Debtor's Exclusive Plan Period is extended through and including January 27, 2010; and it is further

ORDERED that, pursuant to section 1121(d) of the Bankruptcy Code, each of the Debtor's Exclusive Solicitation Period is extended through and including March 29, 2010; and it is further

ORDERED that the extension of the Exclusive Periods granted herein is without prejudice to such future requests for further extensions by the Debtor that may be made pursuant to section 1121(d) of the Bankruptcy Code.

Dated: October ____, 2009
New York, New York

HONORABLE BURTON R. LIFLAND
UNITED STATES BANKRUPTCY JUDGE