

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

EBHI HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 09-12099 (MFW)

Jointly Administered

Hearing Date: March 3, 2010 at 10:30 a.m. (ET)

Objection Deadline: February 24, 2010 at 4:00 p.m. (ET)

**DEBTORS' FOURTH OMNIBUS (NON-SUBSTANTIVE) OBJECTION
TO CLAIMS PURSUANT TO § 502(b) OF THE BANKRUPTCY CODE,
BANKRUPTCY RULES 3003 AND 3007, AND LOCAL RULE 3007-1**

The debtors and debtors in possession in the above-captioned cases (the “**Debtors**”) hereby file this omnibus objection (the “**Objection**”) to certain claims (the “**Disputed Claims**”) filed against the Debtors attached as Exhibit A to the proposed form of order (the “**Proposed Order**”) attached hereto as Exhibit II, pursuant to § 502(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), Rules 3003 and 3007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), and respectfully request entry of an order in substantially the same form as the Proposed Order filed concurrently herewith. The Disputed Claims set forth on the attached exhibit consist of claims that were amended and superseded. In

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: EBHI Holdings, Inc., a Delaware corporation (2352); Amargosa, Inc., a Delaware corporation (9737); Gobi Fulfillment Services, Inc., a Delaware corporation (0882); Arabian Diversified Sales, LLC, a Delaware limited liability company (1567); Gibson Services, LLC, an Ohio limited liability company (disregarded); Karalcum International Development, LLC, a Delaware limited liability company (1571); Simpson Information Technology, LLC, a Delaware limited liability company (disregarded); Sandy Financial Services Acceptance Corporation, a Delaware corporation (7532); and Sonoran Acceptance Corporation, a Delaware corporation (7253). The mailing address for EBHI Holdings, Inc. is 10401 N.E. 8th Street, Suite 500, Bellevue, WA 98004. On or about the Petition Date, Tenere of Canada, Inc. and Yuma 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.



support of this Objection, the Debtors rely on the *Declaration of Kelly E. Green in Support of the Debtors' Fourth Omnibus (Non-Substantive) Objection to Claims Pursuant to § 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1*, attached hereto as Exhibit I. In further support of this Objection, the Debtors, by and through their undersigned counsel, respectfully represent:

JURISDICTION

1. The Court has jurisdiction over this Objection pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. The statutory and legal predicates for the relief sought herein are § 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007 and Local Rule 3007-1.

BACKGROUND

3. On the June 17, 2009 (the "**Petition Date**"), Eddie Bauer Holdings, Inc. and each of its Debtor Affiliates filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (collectively, the "**Chapter 11 Cases**"). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

4. On June 25, 2009, the Office of the United States Trustee appointed an official committee of unsecured creditors (the "**Committee**") in the Debtors' chapter 11 cases.

5. Simultaneously with the commencement of these Chapter 11 Cases, the Debtors' two Canadian affiliates – Eddie Bauer of Canada, Inc. and Eddie Bauer Customer Services, Inc. (the "**Canadian Debtor Affiliates**") – sought recognition of the Debtors' Chapter 11 Cases in a Canadian Court as "foreign proceedings" pursuant to Section 18.6 of the

Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended (the "CCAA"). In addition to staying proceedings against the Canadian Debtor Affiliates in Canada, such recognition by the Canadian Court will allow certain orders of this Court to be in full force and effect in the same manner and in all respects as if they had been made by the Canadian Court. Due to the integrated management of the Canadian Debtor Affiliates with the Debtors' U.S. operations, as well as the role that the Canadian Debtor Affiliates play in the Debtors' overall prepetition debt structure, these Chapter 11 Cases will function as the main proceedings with respect to the Canadian Debtor Affiliates.

6. The Debtors and the Canadian Debtor Affiliates were general merchandise and specialty retailers that offer men's and women's outerwear, apparel, accessories and gear for an active outdoor lifestyle through catalogs, e-commerce sites and over 370 retail and outlet stores. On the Petition Date, the Debtors had 556 full-time, part-time, and temporary employees in their corporate headquarters, and 7,144 full-time, part-time, and temporary retail and distribution employees. The Canadian Affiliates had over 950 full-time, part-time, and temporary employees working in management retail and customer service.

7. By order entered on June 30, 2009 (the "Sale Procedures Order") this Court approved the sale procedures for a sale of all or a portion of the Debtors' assets. [Docket No. 222]. In accordance with the Sale Procedures Order, a hearing to approve the Debtors' proposed sale of their assets was held on July 22, 2009. At the conclusion of that hearing, the Court entered an order approving the sale of substantially all of the Debtors' assets (the "Sale Order") to Everest Holdings LLC (the "Buyer") [Docket No. 508], and the sale closed on August 3, 2009.

BAR DATES AND PROOFS OF CLAIM

8. On July 20, 2009, this Court entered an order appointing Kurtzman Carson Consultants LLC (“**KCC**”) as claims, noticing and balloting agent in these chapter 11 cases [D.I. 470]. KCC is authorized to maintain (i) all proofs of claim filed against the Debtors and (ii) an official claims register by docketing all proofs of claim in a claims database containing, inter alia, information regarding the name and address of each claimant, the date the proof of claim was received by KCC, the claim number assigned to the proof of claim, and the asserted amount and classification of the claim.

9. On July 20, 2009, this Court entered an order (the “**General Bar Date Order**”) establishing September 21, 2009 at 4:00 p.m. (ET) (the “**General Bar Date**”) as the final date and time for filing proofs of claim against the Debtors’ estates arising prior to the Petition Date (the “**Claims**”), and approving the form and manner of notice of the General Bar Date [D.I. 470]. Pursuant to the General Bar Date Order, governmental entities were required to file proofs of claim on or before December 14, 2009 at 4:00 p.m. (ET).

10. Pursuant to the Bar Date Orders, actual notice of the Bar Dates was sent to all parties entitled to notice under Local Rule 2002, all known creditors and all known holders of the Debtors’ equity securities as reflected in the Debtors’ books and records, as well as United States state escheat or unclaimed property offices. In addition, notice of the Bar Dates was published in the national edition of the *USA Today*. An affidavit of publication confirming such actual and publication notice of the Bar Dates has been filed with this Court [D.I. 565].

11. To date, approximately 1300 proofs of claim have been filed in these chapter 11 cases.

RELIEF REQUESTED

A. Amended Claims

12. The approximately 10 Disputed Claims included on Exhibit A are those claims that have been amended and superseded by subsequently-filed proofs of claim identified under the column titled “Remaining Claim Number” on Exhibit A to the Proposed Order (the “Amended Claims”). The Amended Claims, thus, no longer represent valid claims against the Debtors’ estates. Failure to disallow the Amended Claims will result in the applicable claimants receiving an unwarranted double recovery against the Debtors’ estates, to the detriment of other unsecured creditors in these cases.

13. Therefore, the Debtors object to the allowance of each of the Amended Claims included on Exhibit A and request that such Amended Claims under the column heading “Amended Claim to be Expunged” be disallowed in their entirety. If the Debtors’ objection to the Amended Claims is sustained, the claims listed under the column heading “Remaining Claim Number” will remain on the claims register, subject to the Debtors’ right to object on any grounds that bankruptcy or nonbankruptcy law permits. Therefore, any claimant holding an Amended Claim will suffer no prejudice by having the Amended Claim disallowed and expunged.

APPLICABLE AUTHORITY

14. Section 502(b) of the Bankruptcy Code provides in pertinent part that:

the court, after notice and a hearing, shall determine the amount of [a] claim in lawful currency of the United States as of the date of the filing of the petition, and shall allow such claim in such amount, except to the extent that . . . such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured.

11 U.S. C. § 502(b)(1).

15. The Disputed Claims noted above are unenforceable against the Debtors because they were amended and superseded claims. Therefore, pursuant to §§ 502(b)(1) and 502(b)(9) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, the Court should disallow each Amended Claim.

RESPONSES TO THE OBJECTION

16. **Filing and Service of Responses:** To contest the Objection, a claimant must file and serve a written response to the Objection (a “**Response**”) so that it is actually received by the Clerk of the Bankruptcy Court no later than 4:00 p.m. (ET) on February 24, 2010. Claimants should locate their names and claims in this Objection, and read the Proposed Order and the exhibits attached to this Objection carefully. A Response must address each ground upon which the Debtors object to a particular claim. A hearing to consider the Debtors’ Objection shall be held on March 3, 2010 at 10:30 a.m. (ET), before the Honorable Mary F. Walrath, United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Courtroom No. 4, Wilmington, Delaware 19801 (the “**Hearing**”).

17. Every Response shall be filed and served upon the following entities at the following addresses: (i) Office of the Clerk of the United States Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, DE 19801; and (ii) Young Conaway Stargatt & Taylor, LLP, Attn: Kara Hammond Coyle, Esq., The Brandywine Building, 1000 West Street, 17th Floor, P.O. Box 391, Wilmington, Delaware 19899.

18. **Content of Responses:** Every Response to the Objection must contain, at a minimum, the following:

- (a) a caption setting forth the name of the Bankruptcy Court, the above-referenced case number and the title of the Objection to

- which the Response is directed; the name of the claimant and description of the basis for the amount of the claim;
- (b) a concise statement setting forth the reasons why a particular claim should not be disallowed for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which the claimant will rely in opposing the Objection at the Hearing;
 - (c) all documentation or other evidence of the claim in question, to the extent not already included with the claimant's proof of claim, upon which the claimant will rely in opposing the Objection at the Hearing;
 - (d) the name, address, telephone number, and fax number of the person(s) (which may be the claimant or a legal representative thereof) possessing ultimate authority to reconcile, settle, or otherwise resolve the claim on behalf of the claimant; and
 - (e) the name, address, telephone number, and fax number of the person(s) (which may be the claimant or a legal representative thereof) to whom the Debtors should serve any reply to the Response.

19. Service Address: If a Response contains an address for the claimant different from that stated on the claim, the address in the Response shall constitute the service address for future service of papers upon the claimant with respect to the Objection unless or until counsel for the Debtors receive written notice from the claimant or the claimant's counsel of a changed service address.

20. Timely Response Required; Hearing; Replies: If a Response is properly and timely filed and served in accordance with the above procedures, the Debtors will endeavor to reach a consensual resolution with the claimant. If no consensual resolution is reached, the Court will conduct a hearing with respect to the Objection and the Response on March 3, 2010 at 10:30 a.m. (ET), or such other date and time as parties filing responses may be notified. Only those Responses made in writing and timely filed and received will be considered by the Court at

any such hearing. The Debtors reserve the right to adjourn the hearing with respect to a specific objection set forth herein and any Response thereto.

21. If a claimant whose claim is subject to the Objection, and who is served with the Objection, fails to file and serve a timely Response in compliance with the foregoing procedures, the Debtors will present to the Court an appropriate order disallowing and expunging the Disputed Claim without further notice to the claimant.

22. The Debtors may, at their option, file and serve a reply to a claimant's Response no later than three days prior to any hearing on the Objection. This Objection shall constitute a request to the Court for leave to file such reply.

RESERVATION OF RIGHTS

23. The Debtors expressly reserve the right to amend, modify or supplement this Objection and to file additional objections to any proofs of claim filed in these chapter 11 cases including, without limitation, objections as to the liability, amount or priority of any claims listed on Exhibit A to the Proposed Order. Should one or more of the grounds for this Objection be dismissed or overruled, the Debtors reserve the right to object to any Disputed Claims listed on Exhibit A on any other ground.

STATEMENT OF COMPLIANCE WITH LOCAL BANKRUPTCY RULE 3007-1

24. The undersigned representative of Young Conaway Stargatt & Taylor, LLP certifies that she has reviewed the requirements of Local Rule 3007-1 and that the Objection substantially complies with that Local Rule. To the extent that the Objection does not comply in all respects with the requirements of Local Rule 3007-1, Young Conaway Stargatt & Taylor, LLP believes such deviations are not material and respectfully requests that any such requirement be waived.

NOTICE

25. The Debtors have provided notice of this Objection to (i) the United States Trustee for the District of Delaware; (ii) counsel to the Committee; (iii) counsel to the Debtors' postpetition Lenders; (iv) all parties entitled to receive notice under Del. Bankr. LR 2002-1(b); and (v) each of the claimants identified on Exhibit A to the Proposed Order.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter an order substantially in the form attached hereto: (a) granting the relief requested herein; and (b) granting to the Debtors such other and further relief as the Court may deem just and proper.

Dated: January 29, 2010
Wilmington, Delaware

Respectfully submitted,



Michael R. Nestor (No. 3526)
Kara Hammond Coyle (No. 4410)
Morgan L. Seward (No. 5388)
YOUNG CONAWAY STARGATT & TAYLOR, LLP
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

-and-

David S. Heller
Josef S. Athanas
LATHAM & WATKINS LLP
Sears Tower, Suite 5800
233 South Wacker Drive
Chicago, Illinois 60606
Telephone: (312) 876-7700
Facsimile: (312) 993-9767

-and-

Heather L. Fowler
LATHAM & WATKINS LLP
355 South Grand Avenue
Los Angeles, California 90071-1560
Telephone: (213) 485-1234
Facsimile: (213) 891-8763

COUNSEL FOR DEBTORS AND DEBTORS-IN-
POSSESSION

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

EBHI HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 09-12099 (MFW)

Jointly Administered

Hearing Date: March 3, 2010 at 10:30 a.m. (ET)

Objection Deadline: February 24, 2010 at 4:00 p.m. (ET)

NOTICE OF MOTION

TO: (I) THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE;
(II) COUNSEL TO THE COMMITTEE; (III) COUNSEL TO THE DEBTORS'
POSTPETITION LENDERS; (IV) ALL PARTIES ENTITLED TO RECEIVE NOTICE
UNDER DEL. BANKR. LR 2002-1(b); AND (V) EACH OF THE CLAIMANTS TO THE
PROPOSED ORDER

PLEASE TAKE NOTICE THAT the debtors and debtors in possession in the above-captioned case (the "**Debtors**") have filed the attached **Debtors' Fourth Omnibus (Non-Substantive) Objection to Claims Pursuant to § 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1** (the "**Objection**").

PLEASE TAKE FURTHER NOTICE THAT responses to the Objection, if any, must be filed on or before **February 24, 2010 at 4:00 p.m. (ET)** (the "**Objection Deadline**") with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801; and served upon the undersigned counsel to the Debtors so that the response is received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE that responses to the Objection **MUST**, at a **minimum**, contain the following:

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: EBHI Holdings, Inc., a Delaware corporation (2352); Amargosa, Inc., a Delaware corporation (9737); Gobi Fulfillment Services, Inc., a Delaware corporation (0882); Arabian Diversified Sales, LLC, a Delaware limited liability company (1567); Gibson Services, LLC, an Ohio limited liability company (disregarded); Karalcum International Development, LLC, a Delaware limited liability company (1571); Simpson Information Technology, LLC, a Delaware limited liability company (disregarded); Sandy Financial Services Acceptance Corporation, a Delaware corporation (7532); and Sonoran Acceptance Corporation, a Delaware corporation (7253). The mailing address for EBHI Holdings, Inc. is 10401 N.E. 8th Street, Suite 500, Bellevue, WA 98004. On or about the Petition Date, Tenere of Canada, Inc. and Yuma 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.

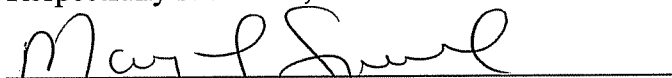
- a. a caption setting forth the name of the Bankruptcy Court, the above-referenced case number and the title of the Objection to which the Response is directed; the name of the claimant and description of the basis for the amount of the claim;
- b. a concise statement setting forth the reasons why a particular claim should not be disallowed for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which the claimant will rely in opposing the Objection at the Hearing;
- c. all documentation or other evidence of the claim in question, to the extent not already included with the claimant's proof of claim, upon which the claimant will rely in opposing the Objection at the Hearing;
- d. the name, address, telephone number, and fax number of the person(s) (which may be the claimant or a legal representative thereof) possessing ultimate authority to reconcile, settle, or otherwise resolve the claim on behalf of the claimant; and
- e. the name, address, telephone number, and fax number of the person(s) (which may be the claimant or a legal representative thereof) to whom the Debtors should serve any reply to the Response.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE OBJECTION WILL BE HELD ON **MARCH 3, 2010 AT 10:30 A.M. (ET)** BEFORE THE HONORABLE MARY F. WALRATH IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 5th FLOOR, COURTROOM NO. 4, WILMINGTON, DE 19801.

PLEASE TAKE FURTHER NOTICE THAT, IF YOU ARE A CLAIMANT AND FAIL TO TIMELY FILE AND SERVE A RESPONSE IN ACCORDANCE WITH THE ABOVE REQUIREMENTS, YOU WILL BE DEEMED TO HAVE CONCURRED WITH AND CONSENTED TO THE OBJECTION AND THE RELIEF REQUESTED THEREIN, AND THE DEBTORS WILL PRESENT TO THE COURT WITHOUT FURTHER NOTICE TO YOU, AN APPROPRIATE ORDER SUSTAINING THE OBJECTION.

Dated: January 29, 2010
Wilmington, Delaware

Respectfully submitted,



Michael R. Nestor (No. 3526)
Kara Hammond Coyle (No. 4410)
Morgan L. Seward (No. 5388)
YOUNG CONAWAY STARGATT & TAYLOR, LLP
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

-and-

David S. Heller
Josef S. Athanas
LATHAM & WATKINS LLP
Sears Tower, Suite 5800
233 South Wacker Drive
Chicago, Illinois 60606
Telephone: (312) 876-7700
Facsimile: (312) 993-9767

-and-

Heather L. Fowler
LATHAM & WATKINS LLP
355 South Grand Avenue
Los Angeles, California 90071-1560
Telephone: (213) 485-1234
Facsimile: (213) 891-8763

COUNSEL FOR DEBTORS AND DEBTORS-IN-
POSSESSION

EXHIBIT I

Declaration of Kelly E. Green

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

EBHI HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 09-12099 (MFW)

Jointly Administered

Hearing Date: March 3, 2010 at 10:30 a.m. (ET)

Objection Deadline: February 24, 2010 at 4:00 p.m. (ET)

**DECLARATION OF KELLY E. GREEN IN SUPPORT OF
DEBTOR'S FOURTH OMNIBUS (NON-SUBSTANTIVE) OBJECTION TO
CLAIMS PURSUANT TO § 502(b) OF THE BANKRUPTCY CODE,
BANKRUPTCY RULES 3003 AND 3007, AND LOCAL RULE 3007-1**

I, Kelly E. Green, pursuant to 28 U.S.C. § 1746, declare:

1. I am a senior director for Alvarez and Marsal Taxand, LLC, the court-approved restructuring advisor for the above-captioned debtors and debtors in possession (the "**Debtors**"). In this capacity, I am one of the persons responsible for overseeing the claims reconciliation and objection process in the Debtors' chapter 11 cases. I have read the Debtors' Fourth (Non-Substantive) Objection to Claims Pursuant to Section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1 (the "**Objection**"), and am directly, or by and through my personnel or agents, familiar with the information contained therein, the proposed form of order (the "**Proposed Order**") and the exhibits attached thereto.

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: EBHI Holdings, Inc., a Delaware corporation (2352); Amargosa, Inc., a Delaware corporation (9737); Gobi Fulfillment Services, Inc., a Delaware corporation (0882); Arabian Diversified Sales, LLC, a Delaware limited liability company (1567); Gibson Services, LLC, an Ohio limited liability company (disregarded); Karalcum International Development, LLC, a Delaware limited liability company (1571); Simpson Information Technology, LLC, a Delaware limited liability company (disregarded); Sandy Financial Services Acceptance Corporation, a Delaware corporation (7532); and Sonoran Acceptance Corporation, a Delaware corporation (7253). The mailing address for EBHI Holdings, Inc. is 10401 N.E. 8th Street, Suite 500, Bellevue, WA 98004. On or about the Petition Date, Tenere of Canada, Inc. and Yuma 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.

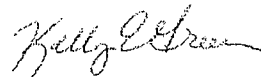
2. Considerable resources and time have been expended in reviewing and reconciling the proofs of claim filed or pending against the Debtors in these cases. The claims were carefully reviewed and analyzed in good faith utilizing due diligence by the appropriate personnel, including the Debtors' claims agent Kurtzman Carson Consultants LLC ("KCC"). These efforts resulted in the identification of the "Amended Claims," as defined in the Objection and identified in Exhibit A to the Proposed Order.

3. The information contained in Exhibit A to the Proposed Order is true and correct to the best of my knowledge.

4. The Debtors have reviewed the proofs of claim filed in these Chapter 11 Cases, together with any supporting documentation attached thereto, and have determined that the Disputed Claims listed on Exhibit A to the Proposed Order have been amended and superseded by subsequently filed claims, identified under the column heading "Remaining Claim Number" on Exhibit A.

5. I declare under penalty of perjury that the foregoing information is true and correct to the best of my knowledge, information and belief.

Dated: January 29, 2010



Kelly E. Green, Senior Director
Alvarez and Marsal Taxand, LLC

EXHIBIT II
Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

EBHI HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 09-12099 (MFW)

Jointly Administered

Ref. Docket No. _____

**ORDER SUSTAINING DEBTORS' FOURTH OMNIBUS (NON-SUBSTANTIVE)
OBJECTION TO CLAIMS PURSUANT TO § 502(b) OF THE BANKRUPTCY
CODE, BANKRUPTCY RULES 3003 AND 3007, AND LOCAL RULE 3007-1**

Upon the Debtors' Fourth Omnibus (Non-Substantive) Objection to Claims Pursuant to § 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1 (the "**Objection**"),² and it appearing that notice of the Objection was good and sufficient upon the particular circumstances and that no other or further notice need be given; and the Court having considered the Objection, the claims listed on Exhibit A attached hereto, and any responses thereto; and upon the record herein; and after due deliberation thereon and good and sufficient cause appearing therefore; it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. The Objection is GRANTED.

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: EBHI Holdings, Inc., a Delaware corporation (2352); Amargosa, Inc., a Delaware corporation (9737); Gobi Fulfillment Services, Inc., a Delaware corporation (0882); Arabian Diversified Sales, LLC, a Delaware limited liability company (1567); Gibson Services, LLC, an Ohio limited liability company (disregarded); Karalcum International Development, LLC, a Delaware limited liability company (1571); Simpson Information Technology, LLC, a Delaware limited liability company (disregarded); Sandy Financial Services Acceptance Corporation, a Delaware corporation (7532); and Sonoran Acceptance Corporation, a Delaware corporation (7253). The mailing address for EBHI Holdings, Inc. is 10401 N.E. 8th Street, Suite 500, Bellevue, WA 98004. On or about the Petition Date, Tenere of Canada, Inc. and Yuma 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 Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Objection.

2. The Amended Claims listed on Exhibit A hereto in the column labeled “Amended Claim to be Expunged” are disallowed.

3. This Court shall retain jurisdiction over the Debtors and the claimants whose Disputed Claims are subject to the Objection with respect to any matters related to or arising from the Objection or the implementation of this Order.

4. The Debtors reserve the right to amend, modify, or supplement the Objection, and to file additional objections to claims filed in these Chapter 11 Cases.

5. This Court shall retain jurisdiction over all affected parties with respect to any matters, claims or rights arising from or related to the implementation and interpretation of this Order.

Dated: Wilmington, Delaware
March __, 2010

Mary F. Walrath
United States Bankruptcy Judge

EXHIBIT A

Exhibit A
Amended Claim Objections

Name of Claimant	Remaining Claim Number	Amended Claim to be Expunged	Claim Amount	Debtor	Reason for Disallowance
Indiana Department of Revenue	1293	715	\$158,001.89	Eddie Bauer, Inc.	Amended and superseded claim.
New York State Department of Taxatio and Finance	1296	395	\$999.98	Eddie Bauer, Inc.	Amended and superseded claim.
Department of the Treasury Internal Revenue Service	1322	259	\$34,239.17	Eddie Bauer, Inc.	Amended and superseded claim.
Comissioner of Revenue of the State of Tennessee	1332	268	\$166,267.27	Eddie Bauer, Inc.	Amended and superseded claim.
Tennessee Department of Revenue	1333	254	\$258,296.59	Eddie Bauer, Inc.	Amended and superseded claim.
State of Michigan Department of Treasury	1339	1280	\$120,944.55	Eddie Bauer, Inc.	Amended and superseded claim.
State of Michigan Department of Treasury	1340	1282	\$208,355.33	Eddie Bauer, Inc.	Amended and superseded claim.
State of Michigan Department of Treasury	1357	1281	\$1,522,698.69	Eddie Bauer, Inc.	Amended and superseded claim.
State of Michigan Department of Treasury	1358	1339	\$136,079.49	Eddie Bauer, Inc.	Amended and superseded claim.
State of Michigan Department of Treasury	1359	1340	\$178,618.94	Eddie Bauer, Inc.	Amended and superseded claim.