

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

| | | |
|---|---|-------------------------|
| _____ |) | |
| In re |) | Chapter 11 |
| |) | |
| |) | Case No. 10-14997 (BRL) |
| BB LIQUIDATING INC., et al., ¹ |) | |
| Debtors. |) | (Jointly Administered) |
| _____ |) | |

**FOURTH QUARTERLY FEE STATEMENT OF ALVAREZ & MARSAL NORTH AMERICA,
LLC IN THEIR CAPACITY AS CHIEF RESTRUCTURING OFFICER, FOR
COMPENSATION AND REIMBURSEMENT
OF EXPENSES INCURRED FOR THE PERIOD
AUGUST 1, 2011 THROUGH OCTOBER 31, 2011**

For its Fourth Quarterly Fee Statement for Compensation and Reimbursement of Expenses (the “Quarterly Fee Statement”) Alvarez & Marsal North America, LLC (“A&M”), Chief Restructuring Officer to the Debtors and Debtors-in-Possession (the “Debtors”), respectfully represents as follows:

A. BACKGROUND

1. On September 23, 2010 (the “Commencement Date”), the Debtors filed a petition with the Court under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their property as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases.
2. Pursuant to an order entered on October 10, 2010, the employment of A&M as Chief Restructuring Officer of the Debtors was authorized effective as of September 23, 2010.

¹ The Debtors, together with the last four digits of each Debtor’s federal tax identification number, are: BB Liquidating Inc. (5102); BB Liquidating Canada Inc. (1269); BB Liquidating Digital Technologies Inc. (9222); BB Liquidating Distribution, Inc. (0610); BB Liquidating GC, Inc. (1855); BB Liquidating Global Services Inc. (3019); BB Liquidating International Spain Inc. (7615); BB Liquidating Investments LLC (6313); BB Liquidating Procurement LP (2546); BB Liquidating Video Italy, Inc (5068); BB Liquidating ML, LLC (5575); BB Liquidating Trading Zone Inc. (8588); and BB Liquidating B2 LLC (5219).

3. A&M has rendered services on behalf of the Debtors from August 1, 2011 through October 31, 2011 (the "Statement Period") totaling 966.0 hours, and in the amount of \$435,153, and reimbursement of expenses in the amount of \$7,118. A summary of monthly fees and expenses is attached as Exhibit A.

4. The Debtors paid A&M \$442,271 for services rendered and expenses incurred during the Statement Period.

B. DESCRIPTION OF SERVICES AND EXPENSES

5. To assist the Court in its review of the fees, A&M has separated its fees and time by professional attached in Exhibit B and by category attached in Exhibit C. In general, A&M assisted the Debtors in numerous bankruptcy related matters. The tasks listed do not encompass all of the work performed by Jeff Stegenga and A&M personnel, but outline the major accomplishments for the period August 1, 2011 through October 31, 2011.

a. Administrative – A&M incurred \$13,421 representing 29.4 hours related to this category. A&M addressed administrative matters related to the engagement, including, but not limited to, post filing calendars, work plans, reporting requirements timeline, review of court documents, and general case management.

b. Cash/Treasury Management – A&M incurred \$10,368 representing 20.2 hours related to this category. A&M prepared periodic cash flow forecasts, periodic variance reports, and budgets filed with the bankruptcy court as needed. A&M also assisted the Debtor with the implementation of these cash budgets.

c. Claims Management – A&M incurred \$323,915 representing 810.4 hours related to this category. A&M assisted the Debtors in establishing a claims reconciliation process.

Included training Debtors personnel on claims reconciliation, including bankruptcy specific matters such as Sale Period and Operating Period reconciliations. Also included generating claim reports to assist in prioritizing and documenting claims resolution recommendations. Furthermore, A&M assisted the Debtors with implementation of the administrative stay and allocation of sale proceeds.

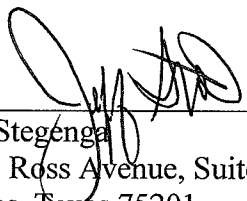
A&M further submits its costs expended on behalf of the Debtors for the period August 1, 2011 through October 31, 2011 in connection with these Chapter 11 proceedings in the sum of \$7,118 as set forth in the summary attached as Exhibit D.

The expenses incurred by A&M may include wireless and long distance telephone calls, overnight delivery, travel expenses, and meals, all of which A&M normally bills to its non-bankruptcy clients at rates calculated to compensate A&M for only the actual cost of the expense. A&M does not charge for facsimiles.

Dated: December 13, 2011

Respectfully submitted,

Alvarez & Marsal North America, LLC

By: 

Jeff Stegenga
2100 Ross Avenue, Suite 2100
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Exhibit A

**Alvarez & Marsal North America, LLC
Summary of Compensation & Expenses - BB Liquidating Inc., et al.,
August 1, 2011 through October 31, 2011**

| Period | Fees | Expenses | Total |
|----------------------|-------------------|-----------------|-------------------|
| August 1-31, 2011 | \$ 90,725 | \$ 3,401 | \$ 94,126 |
| September 1-30, 2011 | 189,605 | 1,218 | 190,823 |
| October 1-31, 2011 | 154,823 | 2,499 | 157,322 |
| Total | \$ 435,153 | \$ 7,118 | \$ 442,271 |

Exhibit B

**Alvarez & Marsal North America, LLC
Summary of Hours by Professional - BB Liquidating Inc., et al.,
August 1, 2011 through October 31, 2011**

| Professional | Title | Hourly Rate | Hours Billed | | | | Total |
|-----------------|-------------------|-------------|--------------|--------------|--------------|--------------|-------------------|
| | | | Aug 1-31 | Sept 1-30 | Oct 1-31 | Total | Compensation |
| Jeff Stegenga | CRO | \$825 | 28.0 | 42.0 | 36.0 | 106.0 | \$ 87,450 |
| Julie Hertzberg | Managing Director | \$625 | 4.5 | 40.9 | 23.6 | 69.0 | 43,125 |
| Daniel Spragg | Managing Director | \$500 | 4.5 | 5.0 | 0.0 | 9.5 | 4,750 |
| Tom Behnke | Senior Director | \$525 | 15.2 | 0.0 | 0.0 | 15.2 | 7,980 |
| Justin Schmaltz | Director | \$525 | 37.7 | 26.0 | 16.0 | 79.7 | 41,843 |
| Matt Williams | Consultant | \$375 | 74.4 | 183.3 | 167.3 | 425.0 | 159,375 |
| Jeff Sielinski | Consultant | \$350 | 17.4 | 125.9 | 112.1 | 255.4 | 89,390 |
| Mary Napoliello | Paraprofessional | \$200 | 4.0 | 2.2 | 0.0 | 6.2 | 1,240 |
| Total | | | 185.7 | 425.3 | 355.0 | 966.0 | \$ 435,153 |

Exhibit C

**Alvarez & Marsal North America, LLC
Summary of Fees by Task Category - BB Liquidating Inc., et al.,
August 1, 2011 through October 31, 2011**

| Task Category | Aug 1-31 | Sept 1-30 | Oct 1-31 | Total |
|------------------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| <u>CRO</u> | | | | |
| Jeff Stegenga | \$ 23,100 | \$ 34,650 | \$ 29,700 | \$ 87,450 |
| <u>Additional Personnel</u> | | | | |
| Administrative | 3,635 | 7,370 | 2,416 | 13,421 |
| Cash/Treasury Management | 3,563 | 5,073 | 1,733 | 10,368 |
| Claims Management | 60,428 | 142,513 | 120,975 | 323,915 |
| <i>Subtotal</i> | <u>\$ 67,625</u> | <u>\$ 154,955</u> | <u>\$ 125,123</u> | <u>\$ 347,703</u> |
| Total | <u>\$ 90,725</u> | <u>\$ 189,605</u> | <u>\$ 154,823</u> | <u>\$ 435,153</u> |

Exhibit D

**Alvarez & Marsal North America, LLC
Summary of Hours by Professional - BB Liquidating, Inc., et al.,
August 1, 2011 through October 31, 2011**

| Expense Category | Aug 1-31 | Sept 1-30 | Oct 1-31 | Total |
|-------------------------|-----------------|------------------|-----------------|-----------------|
| Airfare | \$ - | \$ - | \$ 766 | \$ 766 |
| Lodging | - | - | 155 | 155 |
| Transportation | - | - | 148 | 148 |
| Meals | - | - | - | - |
| Miscellaneous | 101 | 118 | 330 | 549 |
| Office Rent | 3,300 | 1,100 | 1,100 | 5,500 |
| Total | \$ 3,401 | \$ 1,218 | \$ 2,499 | \$ 7,118 |