

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

-----X
 In re : Chapter 11
 :
 : Case No. 16-12551 (BLS)
 APP WINDDOWN, LLC, *et al.*,¹ :
 : (Jointly Administered)
 Debtors. :
 :
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NOTICE OF BAR DATES FOR FILING CLAIMS

A HOLDER OF A POSSIBLE CLAIM AGAINST THE DEBTORS SHOULD CONSULT AN ATTORNEY REGARDING ANY MATTERS NOT COVERED BY THIS NOTICE, SUCH AS WHETHER THE HOLDER SHOULD FILE A PROOF OF CLAIM.

TO ALL KNOWN CREDITORS OF THE ABOVE-CAPTIONED ENTITIES (COLLECTIVELY, THE "DEBTORS"):

On February 21, 2017, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an order (the "Bar Date Order") in the above-captioned chapter 11 cases establishing certain claims bar dates.

Pursuant to the Bar Date Order, the Court has established April 11, 2017 at 5:00 p.m., Eastern Time as the general bar date (the "General Bar Date") for filing prepetition claims in the Debtors' chapter 11 cases.

As used in this Notice, the term "entity" has the meaning given to it in section 101(15) of the Bankruptcy Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code"), and includes all persons, estates, trusts, governmental units and the United States Trustee. In addition, the terms "persons" and "governmental units" are defined as set forth in sections 101(41) and 101(27) of the Bankruptcy Code, respectively.

As used in this notice, the term "claim" means, as to or against any of the Debtors and in accordance with section 101(5) of the Bankruptcy Code: (i) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent,

¹ The Debtors are the following six entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): APP Winddown, LLC (f/k/a American Apparel, LLC) (0601); APP USA Winddown, LLC (f/k/a American Apparel (USA), LLC) (8940); APP Retail Winddown, Inc. (f/k/a American Apparel Retail, Inc.) (7829); APP D&F Winddown, Inc. (f/k/a American Apparel Dyeing & Finishing, Inc.) (0324); APP Knitting Winddown, LLC (f/k/a KCL Knitting, LLC) (9518); and APP Shipping Winddown, Inc. (f/k/a Fresh Air Freight, Inc.) (3870). The address of each of the Debtors is 747 Warehouse Street, Los Angeles, California 90021.

matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (ii) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

THE BAR DATES

The Bar Date Order established the following bar dates for filing proofs of claim in these cases (collectively, the "Bar Dates"):

- a. The General Bar Date. Pursuant to the Bar Date Order, except as described below, all entities holding claims, whether administrative, secured, priority (including, without limitation, claims entitled to priority under sections 503(b)(9), 507(a)(4) or 507(a)(5) of the Bankruptcy Code) or unsecured nonpriority claims against the Debtors that arose before November 14, 2016 (the "Petition Date") must file proofs of claim by the General Bar Date of April 11, 2017 at 5:00 p.m. Eastern Time.
- b. The Governmental Bar Date. Pursuant to the Bar Date Order, except as described below, all governmental units holding claims (whether secured, unsecured, priority or unsecured nonpriority) against the Debtors that arose before the Petition Date must file proofs of claim by the Governmental Bar Date of May 15, 2017 at 5:00 p.m. Eastern Time.
- c. The Rejection Bar Date. Any entity whose claims arise out of the Court approved rejection of an executory contract or unexpired lease, in accordance with section 365 of the Bankruptcy Code and pursuant to a rejection notice (a "Rejection Notice"), as authorized by the *Order Establishing Procedures for the Rejection of Executory Contracts and Unexpired Leases of Nonresidential Real Property*, entered on December 13, 2016 (Docket No. 310) (the "Rejection Procedures Order"), or any other order of the Court in these Cases, the Rejection Bar Date for such a claim will be the later of (a) the General Bar Date; (b) for executory contracts and unexpired leases rejected pursuant to the Rejection Procedures Order, the date that is 30 days after the later of the (i) Rejection Date (as defined in the Rejection Notice²) or (ii) the Objection

² The Rejection Procedures Order, and each Rejection Notice, provide that any claim arising out of the rejection of executory contracts or unexpired leases must be filed, on or before the later of (a) the deadline for filing proofs of claims; (b) a date that is 30 days after the Rejection Date (as defined below); or (c) a date that is 30 days after the Objection Deadline, which is 10 business days after the date the Rejection Notice is filed. The "Rejection Date" is the later of (a) the date of the Rejection Notice, unless otherwise agreed, in writing, by the Debtors and the counterparty to the applicable contract or lease, (b) the date of the surrender of the leased property to the affected lessor (where applicable) or (c) the effective date of rejection if one is set forth in the Rejection Notice.

Deadline (which, as defined in the Rejection Procedures Order, is 10 business days after the applicable Rejection Notice is filed); and (c) any other date set by an order of the Court. The later of these dates is referred to in this notice as the "Rejection Bar Date."

- d. The Amended Schedules Bar Date. If, subsequent to the mailing date of this notice, a Debtor amends or supplements its Schedules of Assets and Liabilities (the "Schedules") to reduce the undisputed, noncontingent and liquidated amount or to change the nature or classification of a claim against a Debtor reflected therein, any affected entities that dispute such amendments or supplements to the Schedules (such Schedules, the "Amended Schedules") are required to file a proof of claim or amend any previously filed proof of claim in respect of the Amended Schedules claim on or before the later of: (a) the General Bar Date; and (b) 30 days after the date that notice of the applicable Amended Schedules is served on the claimant. The later of these dates is referred to in this notice as the "Amended Schedule Bar Date."
- e. The First Administrative Expense Bar Date. Pursuant to the Bar Date Order, except as described below, all entities, including governmental entities, holding claims of any kind that first arose (or, only in the case of unexpired leases or real and personal property, accrued) on or after the Petition Date through and including March 15, 2017, including claims under sections 365(d)(3), 365(d)(5) or 503(b)(1) through (8) of the Bankruptcy Code (excluding, for the avoidance of doubt, claims for Stub Rent (to the extent that a holder of a claim for Stub Rent does not dispute the payment it received from the Stub Rent Escrow) and claims arising under section 503(b)(9)),³ must file such claims by the First Administrative Expense Bar Date (i.e., by April 11, 2017 at 5:00 p.m. Eastern Time). The claims subject to the First Administrative Expense Bar Date are referred to herein as "Administrative Expense Claims."

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Pursuant to the Settlement, Stub Rent will be paid in accordance with the Debtors' books and records within seven business days of the closing of the Sale and the establishment of the Stub Rent Escrow, without the need for holders of Stub Rent claims to file a proof of claim. If, however, a holder of a claim for Stub Rent disputes the Stub Rent payment it receives from the Stub Rent Escrow, such holder must file a claim for the disputed portion before the First Administrative Expense Bar Date.

FILING CLAIMS

1. WHO MUST FILE

Subject to the terms described above for holders of claims subject to the Governmental Bar Date, Rejection Bar Date, and the Amended Schedules Bar Date, the following entities **MUST** file proofs of claim, or requests for payment of Administrative Expense Claims, as applicable, on or before the General Bar Date or the First Administrative Expense Bar Date, as applicable:

- a. any entity (i) whose prepetition claim against a Debtor is not listed in the applicable Debtor's Schedules or is listed as any of disputed, contingent, or unliquidated and (ii) that desires to share in any distribution in any of these chapter 11 cases;
- b. any entity whose prepetition claim against the Debtors is included within the applicable Debtor's Schedules, but believes that its prepetition claim is improperly classified in the Schedules or is listed in an incorrect amount or against an incorrect Debtor and that desires to have its claim allowed in a classification or amount or against a Debtor different from the classification, amount or Debtor identified in the Schedules; and
- c. any entity that believes it holds an Administrative Expense Claim.

2. WHAT TO FILE

Prepetition Claims

The Debtors are enclosing a proof of claim form for use in these cases, or you may use another proof of claim form that conforms substantially to Official Bankruptcy Form No. 410. If your claim is scheduled by the Debtors, the attached proof of claim form also sets forth: (i) the amount of your claim (if any) as scheduled; (ii) the specific Debtor against which the claim is scheduled; (iii) whether your claim is scheduled as disputed, contingent or unliquidated; and (iv) whether your claim is listed as a secured, unsecured priority or unsecured nonpriority claim. You will receive a different proof of claim form for each claim scheduled in your name by the Debtors. You may utilize the proof of claim form(s) provided by the Debtors to file your claim. Additional proof of claim forms may be obtained at the following websites: <https://cases.primeclerk.com/AmericanApparel/EPOC-Index> (the "Claim Agent Website") or <http://www.uscourts.gov/forms/bankruptcy-forms/proof-claim-0>.

Postpetition Administrative Expense Claims

Parties asserting Administrative Expense Claims must use the administrative expense claim form (the "Administrative Expense Claim Form") included in this notice. Additional copies of the Administrative Expense Claim Forms may be obtained at the Claim Agent Website.

3. WHEN AND WHERE TO FILE

Entities must file each Proof of Claim Form and/or Administrative Expense Claim Form so they are received on or before the applicable Bar Dates either (a) electronically with Prime Clerk via the interface available at <https://cases.primeclerk.com/AmericanApparel/EPOC-Index> or (b) via U.S. mail or other hand delivery method to the following address:

**APP Winddown, LLC (f/k/a American Apparel, LLC) Claims Processing Center
c/o Prime Clerk LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022**

Proof of Claim Forms and Administrative Expense Claim Forms will be deemed filed when **actually received** by the Debtors' claims agent, Prime Clerk LLC ("Prime Clerk"), on or before the applicable Bar Date. **Proof of Claim Forms and Administrative Expense Claim Forms may not be delivered via facsimile or electronic mail transmission.**

Proof of Claim Forms and Administrative Expense Claim Forms will be collected, docketed and maintained by Prime Clerk. If you want to receive acknowledgement of Prime Clerk's receipt of a Proof of Claim Form and/or Administrative Expense Claim Form, you must submit by the applicable Bar Date and concurrently with submitting your original Proof of Claim Form and/or Administrative Expense Claim Form (i) a copy of the original Proof of Claim Form and/or Administrative Expense Claim Form and (ii) a self-addressed, postage prepaid return envelope.

All forms must be **signed** by the claimant or, if the claimant is not an individual, by an authorized agent of the claimant. The form must be written in English and be denominated in United States currency. You should attach to your completed form any documents on which the claim is based (or, if such documents are voluminous, attach a summary) or an explanation as to why the documents are not available.

Any entity asserting claims against multiple Debtors must file a separate form with respect to each Debtor. In addition, any entity filing a claim must identify on its form the particular Debtor against which the entity asserts its claim. Any claim filed under the joint administration case number, APP Winddown, LLC (f/k/a American Apparel, LLC), No. 16-12551 (BLS), or that otherwise fails to identify a Debtor shall be deemed as filed **only** against Debtor APP Winddown, LLC (f/k/a American Apparel, LLC). If an entity lists more than one Debtor on any one form, the relevant claims will be treated as filed **only** against the first listed Debtor.

4. ENTITIES NOT REQUIRED TO FILE A CLAIM

The Bar Date Order further provides that the following entities, whose claims otherwise would be subject to the General Bar Date or the Governmental Bar Date, need **not** file claims in these cases:

- a. any entity that already has filed a signed proof of claim against the applicable Debtor(s) in a form substantially similar to Official Bankruptcy Form No. 410 with: (i) the Clerk of the Bankruptcy Court for the District of Delaware or (ii) the Debtors' claims and noticing agent, Prime Clerk;
- b. any entity (i) whose claim against a Debtor is not listed as "disputed", "contingent", or "unliquidated" in the Schedules or Amended Schedules and (ii) agrees with the nature, classification and amount of its claim as identified in the Schedules or Amended Schedules;
- c. any entity whose claim against a Debtor previously has been allowed by, or paid pursuant to, an order of the Court; and
- d. any Debtor that has a claim against another Debtor.

In addition, the Bar Date Order provides that holders of the following claims are not required to file an Administrative Expense Claim by the First Administrative Expense Bar Date:

- a. any Administrative Expense Claims that (i) have been previously paid by the Debtors in the ordinary course of business or (ii) have otherwise been satisfied;
- b. Administrative Expense Claims previously filed with Prime Clerk or the Court;
- c. Administrative Expense Claims of any professional retained and employed by the Debtors or the Committee, pursuant to sections 327, 328, or 1103 of the Bankruptcy Code, including any ordinary course of business professionals retained, pursuant to an order of this Court approving the employment of ordinary course business professionals, for compensation, indemnification, or reimbursement of costs and expenses relating to professional services performed and expenses incurred on and after the Petition Date;
- d. any claims by the Prepetition Secured Parties arising under the Debtors' Stipulation and the Prepetition Loan Documents; provided, however, that the Prepetition Agent, for the benefit of itself and the Prepetition Secured Lenders, is authorized and entitled, in its sole discretion, but is not required, to file (and amend and/or supplement, as each sees fit) a proof of claim in each of the Cases for any claim described in the Final DIP Order (the "Agent Proof of Claim"), and such Agent Proof of Claim will

be deemed filed in all of the Debtors' Cases if it is filed in any one of the Cases.⁴

- e. any claims by any member of the Committee for reimbursement of reasonable expenses incurred in connection with the member's service on the Committee;
- f. any claims by any current director of the Debtors for payment of board fees or reimbursement of reasonable expenses incurred in connection with the director's service on the Debtors' board of directors;
- g. any claims for fees payable to the Clerk of this Court;
- h. any fees payable to the Office of the United States Trustee under 28 U.S.C. § 1930(a)(6) or accrued interest thereon arising under 31 U.S.C. § 3717;
- i. any claim by a governmental unit for a tax or penalty described in section 503(b)(1)(B) and (C) of the Bankruptcy Code, as provided for in section 503(b)(1)(D) of the Bankruptcy Code, or for any other postpetition tax;
- j. any claim for Stub Rent, provided that any creditor disputing the asserted Stub Rent amount must file a claim for the disputed portion before the First Administrative Expense Bar Date;
- k. any contingent claims for cure costs to cure monetary defaults under any executory contract or unexpired lease that has not yet been noticed for assumption or rejection in these Cases;
- l. any claims of a current officer or employee of the Debtors, for amounts incurred in the ordinary course of business as a wage, commission, benefit, severance or accrued vacation, or for amounts to which the current officer or employee may be entitled under the Debtors' Key Employee Retention Plan or Key Executive Incentive Plan,⁵ provided that the current officer or

⁴ See Final Order (I) Authorizing the Debtors to (A) Obtain Post-Petition Senior Secured Superpriority Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 363(c), 363(e), 364(c), 364(d)(1), 364(e) and 507 and (B) Utilize Cash Collateral, (II) Granting Priming Liens, Priority Liens and Superpriority Claims to the DIP Secured Parties, (III) Granting Adequate Protection to Prepetition Secured Parties and (IV) Granting Related Relief, entered on December 12, 2016 (Docket No. 296) (the "Final DIP Order"), ¶ 32. Capitalized terms used in this paragraph 4(d) but not otherwise defined shall have the meanings ascribed to such terms in the Final DIP Order.

⁵ See Order Approving Motion of Debtors and Debtors-in-Possession for Entry of an Order Approving Their (I) Key Employee Retention Plan and (II) Key Executive Incentive Plan (Docket No. 422).

employee must submit a proof of claim by the applicable Bar Date for all other claims arising before or after the Petition Date, including claims for wrongful termination, discrimination, harassment, hostile work environment, and/or retaliation; and

- m. Administrative Expense Claims arising after March 15, 2017 (Administrative Expense Claims that arise after March 15, 2017 will be subject to a separate deadline to be later established in these Cases).

NO REQUIREMENT FOR STOCKHOLDERS TO FILE PROOFS OF INTEREST

Any entity holding an interest in the Debtors (an "Interest Holder"), which interest is based exclusively upon the ownership of: (i) a membership interest in a limited liability company; (ii) common or preferred stock in a corporation; or (iii) warrants or rights to purchase, sell or subscribe to such a security or interest (any such security or interest being referred to herein as an "Interest"), need not file a proof of claim or proof of interest on or before the General Bar Date on account of such Interest; provided, however, Interest Holders who want to assert claims against the Debtors that arise out of or relate to the ownership or purchase of an Interest, including claims arising out of or relating to the sale, issuance or distribution of the Interest, must file a claim by the applicable Bar Dates, unless another exception identified in this Motion applies.

CONSEQUENCES OF FAILURE TO FILE A CLAIM

Entities that fail to properly file a Proof of Claim Form by the applicable Bar Date shall be barred, estopped and enjoined from: (i) asserting any prepetition claim against the Debtors that such entity may possess and that (a) is in an amount that exceeds the amount, if any, that is identified in the Schedules or Amended Schedules on behalf of such entity as undisputed, noncontingent and liquidated or (b) is of a different nature, classification or priority than any claim identified in the Schedules or Amended Schedules on behalf of such entity (any such claim under this subparagraph (i) being referred to herein as an "Unscheduled Claim"); and (ii) voting upon, or receiving distributions under, any chapter 11 plan in these cases in respect of an Unscheduled Claim.

Further, entities that fail to properly file an Administrative Expense Claim Form by the First Administrative Expense Bar Date for Administrative Expense Claims shall: (i) be forever barred, estopped and enjoined from asserting their Administrative Expense Claims against the Debtors; and (ii) be prohibited from receiving payment from the Debtors' estates or participating in any distribution under any plan in the Debtors' chapter 11 cases on account of such Administrative Expense Claims.

RESERVATION OF RIGHTS

The Debtors retain the right to: (i) dispute, or assert offsets or defenses against, any filed proofs of claim, or any claim listed or reflected in the Schedules, as to nature, amount, liability, classification or otherwise; (ii) subsequently designate any scheduled claim as disputed,

contingent or unliquidated; and (iii) otherwise amend or supplement the Schedules. Notwithstanding the foregoing, nothing contained herein shall preclude the Debtors from objecting to any claim, whether scheduled or filed, on any grounds.

ADDITIONAL INFORMATION

If you require additional information regarding the filing of a claim, you may contact Prime Clerk at (844) 596-2261 or by submitting an inquiry at <https://cases.primeclerk.com/AmericanApparel/Home-SubmitInquiry>. Copies of the Bar Date Order and other information regarding the Debtors' chapter 11 cases are available for inspection free of charge on Prime Clerk's website at: <https://cases.primeclerk.com/AmericanApparel>.

Prime Clerk cannot advise you how to file, or whether you should file, a claim. You may wish to consult an attorney regarding this matter.

Dated: February 22, 2017
Wilmington, Delaware

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Laura Davis Jones

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