

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

AVENUE STORES, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 19-11842 (LSS)

(Jointly Administered)

Sale Objection Deadline:
September 30, 2019 at 4:00 p.m. (ET)

Post-Auction Objection Deadline:
October 7, 2019 at 2:00 p.m. (ET) (at the Sale Hearing)

Hearing Date:
October 7, 2019 at 2:00 p.m. (ET)

NOTICE OF SALE, BID PROCEDURES, AUCTION AND SALE HEARING

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On August 20, 2019, the affiliated debtors and debtors in possession in the above-captioned cases (each a “Debtor,” and collectively, the “Debtors”) filed with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) their motion (the “Motion”) for the entry of: (A) an order (the “Bid Procedures Order”),² (i) scheduling an auction (the “Auction”) and hearing (the “Sale Hearing”) on the approval of the proposed sale or disposition (the “Sale”) of the Debtors’ e-commerce business assets, primarily comprised of (a) the Debtors’ intellectual property, consisting of trademarks, domain names, customer files and related data, including, among other things, the digital assets associated with the e-commerce website operated by the Debtors at www.avenue.com; (b) the Debtors’ merchandise inventory stored at their Dallas, Texas distribution center; and (c) any contracts or leases related to the operation of the Debtors’ online platform (collectively, the “E-Commerce Business Assets”), free and clear of all liens, claims, encumbrances, and other interests, except certain permitted encumbrances as determined by the Debtors and any purchaser of the E-Commerce Business

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Avenue Stores, LLC (0838); Ornatus URG Holdings, LLC (1146); Ornatus URG Real Estate, LLC (9565); and Ornatus URG Gift Cards, LLC (9203). The Debtors’ headquarters are located at 365 West Passaic Street, Suite 230, Rochelle Park, New Jersey 07662.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bid Procedures Order (including the Bid Procedures). Any summary of the Bid Procedures and the Bid Procedures Order contained herein is qualified in its entirety by the actual terms and conditions thereof. To the extent that there is any conflict between any such summary and such actual terms and conditions, the actual terms and conditions shall control.

Assets (collectively, the “Encumbrances and Liabilities”), to the Successful Bidder(s) and authorizing the assumption and assignment of certain executory contracts and unexpired leases (collectively, the “Assigned Contracts”) in connection therewith; (ii) authorizing and approving certain proposed bid procedures for the Sale (collectively, the “Bid Procedures”), certain proposed assumption and assignment procedures for the Assigned Contracts (collectively, the “Assignment Procedures”), and the form and manner of notice thereof; and (iii) granting related relief; and (B) an order (the “Sale Order”), (i) authorizing and approving the Debtors’ entry into an agreement with the Successful Bidder(s) for the E-Commerce Business Assets; (ii) authorizing and approving the Sale, free and clear of all Encumbrances and Liabilities; (iii) authorizing and approving the assumption and assignment of the Assigned Contracts in connection therewith; and (iv) granting related relief.

2. On September 13, 2019, the Bankruptcy Court entered the Bid Procedures Order [Docket No. 221]. Pursuant to the Bid Procedures Order, the Debtors have until **September 14, 2019 at 11:59 p.m. (ET)** to obtain a letter of intent for the E-Commerce Business Assets and, to the extent such a letter is secured, until **September 27, 2019 at 11:59 p.m. (ET)** (the “Stalking Horse Bid Deadline”) to obtain Stalking Horse Bids for the E-Commerce Business Assets.

3. Pursuant to the Bid Procedures, if a Stalking Horse Bid is secured by the Stalking Horse Bid Deadline, a competing Bidder that desires to make a bid for the E-Commerce Business Assets, or any subset thereof, shall deliver an electronic copy of its bid to the parties identified in the Bid Procedures so as to be received on or before **October 1, 2019 at 5:00 p.m. (ET)** (the “Bid Deadline”) and otherwise comply with the Bid Procedures. **FAILURE TO ABIDE BY THE BID PROCEDURES MAY RESULT IN A BID TO BE REJECTED. ANY PARTY INTERESTED IN BIDDING ON THE E-COMMERCE BUSINESS ASSETS SHOULD CONTACT JAY C. JACQUIN (JJACQUIN@CONFIGUREPARTNERS.COM), (404) 536-0690, WITH CONFIGURE PARTNERS, LLC, THE DEBTORS’ INVESTMENT BANKER.**

4. Pursuant to the Bid Procedures, in the event that the Debtors receive at least one Qualified Bid in addition to the Stalking Horse Bid by the Bid Deadline, the Debtors will conduct the Auction, which shall take place on **October 3, 2019, beginning at 10:00 a.m. (ET)** at the offices of counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, or such later time or such other place as the Debtors shall designate and provide notice of to all Qualified Bidders who have submitted Qualified Bids. Only Qualified Bidders (including any Stalking Horse Bidder), shall be entitled to participate at the Auction.

5. If the Debtors do not receive any Stalking Horse Bid prior to the Stalking Horse Bid Deadline or Qualified Bids prior to the Bid Deadline, the Debtors may, in consultation with the Consultation Parties and consistent with the terms of the DIP Credit Agreement, among other things, (i) extend such Bid Deadline and postpone the Auction, (ii) cancel the Auction and terminate the proposed Sale, or (iii) otherwise seek Bankruptcy Court relief.

6. Each Successful Bid and any Next-Highest Bid (or if no Qualified Bid other than that of a Stalking Horse Bidder or one Qualified Bidder is received, then the Stalking Horse Bid or the Qualified Bidder, respectively) will be subject to approval by the Bankruptcy Court. The Sale Hearing shall take place on **October 7, 2019 at 2:00 p.m. (ET)**. The Sale Hearing may be adjourned by the Debtors consistent with the terms of the DIP Credit Agreement from time to time without further notice to creditors or other parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing or by filing a notice, which may be a hearing agenda, stating the adjournment, on the docket of these Chapter 11 Cases.

7. Any objections to the Sale or the relief requested in connection with the Sale, including objections to entry of the proposed Sale Order (a "Sale Objection"), other than a Post-Auction Objection (as defined below) or a Cure Cost/Assignment Objection (which shall be governed by the Assignment Procedures) must: (i) be in writing; (ii) be signed by counsel or attested to by the objecting party; (iii) be in conformity with the applicable provisions of the Bankruptcy Rules and the Local Rules; (iv) state with particularity the legal and factual basis for the objection and the specific grounds therefor; (v) be filed with the Clerk of the Bankruptcy Court, 824 N. Market Street, 3rd Floor, Wilmington, DE 19801, together with proof of service, **on or before 4:00 p.m. (ET) on September 30, 2019** (the "Sale Objection Deadline"); and (vi) be served, so as to be actually received on or before the Sale Objection Deadline, upon (a) counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Robert S. Brady, Esq. (rbrady@ycst.com), Andrew L. Magaziner, Esq. (amagaziner@ycst.com) and Ashley E. Jacobs, Esq. (ajacobs@ycst.com); (b) proposed counsel to the Official Committee of Unsecured Creditors, Cooley LLP, 55 Hudson Yards, New York, NY 10001, Attn: Jay R. Indyke, Esq. (jindyke@cooley.com) and 1299 Pennsylvania Avenue, NW, Suite 700, Washington, DC 20004, Attn: Cullen Drescher Speckhart, Esq. (cspeckhart@cooley.com); (c) the Office of the United States Trustee for the District of Delaware, Attn: Linda Casey, Esq. (linda.casey@usdoj.com); (d) counsel to PNC Bank, N.A., in its capacity as Agent under the Credit Agreement, dated as August 16, 2019, Blank Rome LLP, 1201 Market Street, Suite 800, Wilmington, Delaware 19801, Attn: Regina Stango Kelbon, Esq. (kelbon@blankrome.com)); and (e) counsel to Versa Capital Management, LLC, in its capacity as the Pre-Petition Subordinated Lender, Landis, Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801, Attn: Adam G. Landis, Esq. (landis@lrclaw.com) (collectively, the "Notice Parties").

8. Objections (a "Post-Auction Objection") of any Non-Debtor Counterparty related solely to the identity of, and adequate assurance of future performance provided by, the Successful Bidder may be raised either (i) **at the Sale Hearing** or (ii) shall: (a) be in writing; (b) state with specificity the nature of such objection, and (c) be filed with the Bankruptcy Court and properly served on the Notice Parties so as to be received **on or before 2:00 p.m. (ET) on October 7, 2019** (the "Post-Auction Objection Deadline").

9. If a Sale Objection is not filed and served on or before the Sale Objection Deadline or a Post-Auction Objection is not filed and served on or before the Post-Auction Objection Deadline or raised at the Sale Hearing in accordance with the foregoing requirements, the Bankruptcy Court may enter the Sale Order without further notice to such party.

10. Copies of the Motion, the Bid Procedures, the Bid Procedures Order, and the Assignment Procedures may be obtained by parties in interest free of charge on the dedicated webpage related to these Chapter 11 Cases maintained by the claims and noticing agent in these cases, <http://cases.primeclerk.com/AvenueStores>. Copies of such documents are also available for inspection during regular business hours at the Clerk of the Bankruptcy Court, 824 N. Market Street, 3rd Floor, Wilmington, DE 19801, and may be viewed for a fee on the internet at the Bankruptcy Court's website (<http://www.deb.uscourts.gov/>) by following the directions for accessing the ECF system on such website.

11. For ease of reference, the following chart has been included to indicate the dates relevant to this Notice:

Date	Event
September 14, 2019, 11:59 p.m. (ET)	Letter of Intent Deadline
September 16, 2019	Service of Potential Assumption and Assignment Notice
September 27, 2019, 11:59 p.m. (ET)	Stalking Horse Bid Deadline
September 30, 2019, 4:00 p.m. (ET)	Sale Objection Deadline Cure Cost/Assignment Objection Deadline
October 1, 2019, 5:00 p.m. (ET)	Bid Deadline
October 3, 2019, 10:00 a.m. (ET)	Auction
October 7, 2019, 2:00 p.m. (ET)	Post-Auction Objection Deadline
October 7, 2019, 2:00 p.m. (ET)	Sale Hearing
October 14, 2019	Closing Date

Dated: September 16, 2019
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Ashley E. Jacobs

Robert S. Brady (No. 2847)
Andrew L. Magaziner (No. 5426)
Ashley E. Jacobs (No. 5635)
Allison S. Mielke (No. 5934)
Betsy L. Feldman (No. 6410)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Tel: (302) 571-6600
Fax: (302) 571-1253
Email: rbrady@ycst.com
amagaziner@ycst.com
ajacobs@ycst.com
amielke@ycst.com
bfeldman@ycst.com

*Proposed Counsel to the Debtors and Debtors in
Possession*