

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.626.2311 • FAX 213.629.4520

1 David S. Kupetz (CA Bar No. 125062)
Email:dkupetz@sulmeyerlaw.com
2 Mark S. Horoupian (CA Bar No. 175373)
Email:mhoroupian@sulmeyerlaw.com
3 **SulmeyerKupetz**
A Professional Corporation
4 333 South Hope Street, Thirty-Fifth Floor
Los Angeles, California 90071-1406
5 Telephone: 213.626.2311
Facsimile: 213.629.4520
6
7 Bankruptcy Counsel for eStyle, Inc.
Debtor and Debtor in Possession

8
9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION**

11 In re
12 ESTYLE, INC., a Delaware corporation,
13 dba babystyle, Cadeau, and Cadeau
14 Designs,
15 Debtor.

Case No. 2:08-bk-13518-SB
Chapter 11

**DEBTOR'S REPLY TO OBJECTIONS BY
CERTAIN LANDLORDS TO DEBTOR'S
ORDER (1) EXTENDING TIME TO
ASSUME OR REJECT UNEXPIRED
LEASES OF NONRESIDENTIAL REAL
PROPERTY, (2) APPROVING A
PROCEDURE FOR THE REJECTION OF
SUCH LEASES, AND (3) GRANTING
OTHER RELATED RELIEF**

18
19 Tax Id. # 95-4712564

DATE: June 24, 2008
TIME: 2:00 p.m.
PLACE: U.S. Bankruptcy Court
Courtroom 1575
255 East Temple Street
Los Angeles, CA 90012

20
21
22
23
24
25 **I.**
26 **INTRODUCTION**

27 eStyle, Inc. (the "Debtor"), debtor in possession in the above-captioned
28 case moved the Court for an order (i) granting the Debtor an extension of time by which it

1 must assume or reject unexpired leases of nonresidential real property (not previously
2 rejected) pursuant to 11 U.S.C. § 365(d)(4), (ii) approving a procedure for the rejection of
3 unexpired leases of nonresidential real property (not previously rejected) pursuant to 11
4 U.S.C. §§ 365, 554 and 105(a), and (iii) granting other related relief (the "Motion"). The
5 Debtor received formal and informal objections to the Motion for certain landlords.
6 Specifically, on behalf of landlords Westfield, LLC ("Westfield"), The Macerich Company
7 ("Macerich"), and RREEF Management Company ("RREEF"), the Debtor was contacted
8 by their counsel who voiced their objections to the rejection procedures proposed in the
9 Motion. In light of the agreement reached with their counsel, as described herein, these
10 landlords did not file a formal objection to the Motion. Additionally, the Debtor received
11 an objection by John Hancock Life Insurance Company (U.S.A.) ("John Hancock"), the
12 landlord of the Debtor's corporate headquarters in downtown Los Angeles. As described
13 herein, the Debtor has resolved the objection with John Hancock. Finally, the Debtor
14 received a limited objection to the Motion from Maxtana Avenue, LLC ("Maxtana"), the
15 landlord of the Debtor's store in Santa Monica, California. The Debtor has not reached a
16 resolution with Maxtana, and replies to its objection herein.

17 II.

18 **AGREEMENT REACHED WITH MACERICH, RREEF, WESTFIELD AND JOHN**
19 **HANCOCK**

20 In sum, the objections by Macerich, RREEF, Westfield, and John Hancock,
21 addressed alleged post-petition defaults in the payment of rent by the Debtor, and
22 objections to certain rejection procedures proposed by the Debtor. With regard to the
23 payment of rent, with the exception of "stub rent" owed for the month of March, 2008 to
24 John Hancock, the Debtor demonstrated that it was current with its rental obligations.
25 With respect to the amounts owing to John Hancock for the month of March, and other
26 ancillary charges, the Debtor has agreed, as a condition of the extension of the deadline
27 to pay these amounts to John Hancock upon receipt of appropriate back-up
28 documentation.

1 With respect to the objections to the rejection procedures, Macerich,
2 RREEF, Westfield, and John Hancock, have agreed to withdraw their objection to the
3 Motion, provided that the Debtor agree (as it does) to include in the proposed order
4 granting the Motion, the following provisions:

5 (a) With respect to the rejection of the Leases, the effective date of the
6 rejection of a Lease will be the later of (a) the effective date as provided in the rejection
7 notice, and (b) the date that the premises is turned over to the landlord by delivering
8 keys, alarm codes, etc. to the landlord in broom clean condition.

9 (b) In the event of an objection by a third party, the rejection will not
10 become effective until the entry of an order by the bankruptcy court disposing of such
11 third-party objection.

12 (c) The notice of rejection and abandonment will be delivered to any
13 third-party personal property lessors, with the requirement that they remove any property
14 by the effective date of the rejection of any lease.

15 (d) Upon the effective date of rejection, any property abandoned to the
16 landlord is abandoned without liability to any third parties so that the landlord may
17 dispose of such property in its sole discretion.

18 (e) The deadline for a landlord to file a rejection claim should be the later
19 of (i) any general claims bar date established in this bankruptcy case, and (ii) thirty (30)
20 days after the effective date of the rejection of a lease.

21 III.

22 **RESPONSE TO LIMITED OBJECTION BY MAXTANA**

23 The sum and substance of Maxtana's objection is that the extension of time
24 to assume or reject its lease with the Debtor (a) should not result in an extension of the
25 deadline for the Debtor to exercise its option to renew the lease; and (b) should be limited
26 to the duration of the existing lease term. Maxtana raises arguments that the time for the
27 Debtor to exercise its option to renew the lease for 5 additional years has expired, and
28 that the lease thus expires on October 8, 2008. To the extent that the Motion appears to

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.626.2311 • FAX 213.629.4520

1 request an extension of time to assume or reject the lease beyond the existing lease
2 term, and without waiving any argument that the Debtor may have that it has exercised
3 the option to extend the lease, the Debtor agrees with Maxtana's position. Namely, the
4 Debtor agrees that the extension of the time to assume or reject leases is limited to the
5 duration of the existing term of any lease.

6 DATED: June 16, 2008

Respectfully submitted,

SulmeyerKupetz
A Professional Corporation

By: 

David S. Kupetz
Mark S. Horoupian
Attorneys for eStyle, Inc., Debtor in
Possession

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.626.2311 • FAX 213.629.4520

1 PROOF OF SERVICE

2 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

3 At the time of service, I was over 18 years of age and **not a party to this action**. I
4 am employed in the County of Los Angeles, State of California. My business address is
333 South Hope Street, Thirty-Fifth Floor, Los Angeles, California 90071-1406.

5 On June 17, 2008, I served the following document(s) described as **DEBTOR'S**
6 **REPLY TO OBJECTIONS BY CERTAIN LANDLORDS TO DEBTOR'S ORDER (1)**
7 **EXTENDING TIME TO ASSUME OR REJECT UNEXPIRED LEASES OF**
8 **NONRESIDENTIAL REAL PROPERTY, (2) APPROVING A PROCEDURE FOR THE**
9 **REJECTION OF SUCH LEASES, AND (3) GRANTING OTHER RELATED RELIEF** on
10 the interested parties in this action as follows:

11 **BY MAIL:** I enclosed the document(s) in a sealed envelope or package addressed to the
12 persons at the addresses listed in the Service List and placed the envelope for collection
13 and mailing, following our ordinary business practices. I am readily familiar with
14 SulmeyerKupetz's practice for collecting and processing correspondence for mailing. On
15 the same day that the correspondence is placed for collection and mailing, it is deposited
16 in the ordinary course of business with the United States Postal Service, in a sealed
17 envelope with postage fully prepaid.

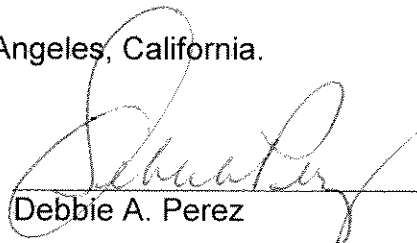
18 State of Washington
19 Department of Revenue & Employment Security
20 Attn: Zachary Mosner, Asst. Atty. Gen.
21 Bankruptcy & Collections Unit
22 800 Fifth Ave, Ste 2000
23 Seattle, WA 98104-3188

24 **BY E-MAIL OR ELECTRONIC TRANSMISSION:** I caused the document(s) to be sent
25 from the e-mail address dperez@sulmeyerlaw.com to the persons at the e-mail
26 addresses listed in the Service List. I did not receive, within a reasonable time after the
27 transmission, any electronic message or other indication that the transmission was
28 unsuccessful.

SEE ATTACHED EMAIL SERVICE LIST

I declare under penalty of perjury under the laws of the United States of America
that the foregoing is true and correct and that I am employed in the office of a member of
the bar of this Court at whose direction the service was made.

Executed on June 17, 2008, at Los Angeles, California.


Debbie A. Perez

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.626.2311 • FAX 213.629.4520

SERVICE LIST

1

2

3 **DEBTOR**

eStyle, Inc.
865 South Figueroa Street
Suite 2700
Los Angeles, CA 90017
EFabricant@babystyle.com

6

7 **OFFICE OF THE UNITED STATES TRUSTEE**

Office of the United States Trustee
Attn: Bruce Schildkraut, Esq.
Ernst & Young Plaza
725 South Figueroa St., 26th Floor
Los Angeles, CA 90017
Bruce.Schildkraut@usdoj.gov

10

11 **ATTORNEY FOR COMMITTEE OF UNSECURED CREDITORS**

Craig G. Margulies, Esq.
Ian S. Landsberg, Esq.
LANDSBERG MARGULIES LLP
16030 Ventura Blvd., Ste. 470
Encino, CA 91436-2731
cmargulies@lm-lawyers.com
ilandsberg@lm-lawyers.com

12

13

14

15

16 **PARTIES REQUESTING SPECIAL NOTICE**

American Express Travel Related Svcs Co
Inc Corp Card
c/o Becket and Lee LLP
POB 3001
Malvern, PA 19355-0701
notices@becket-lee.com

19

20

21

22

Bellevue Square Managers, Inc.
c/o John S. Kaplan, Esq.
Perkins Coie LLP
1201 Third Avenue, 40th Floor
Seattle, WA 98101-3099
JKaplan@perkinscoie.com

23

24

25

26

Black Swan
c/o Marc J. Winthrop, Esq.
Winthrop Couchot
660 Newport Center Drive, 4th Floor
Newport Beach, CA 92660
mwinthrop@winthropcouchot.com

27

28

Comptroller of Public Accounts of
the State of Texas
c/o Jay W. Hurst, Asst. Attorney Gen.
Bankruptcy & Collections Division

- 1 P.O. Box 12548
Austin, TX 78711-2548
- 2 jay.hurst@oag.state.tx.us
- 3 Dream International USA, Inc.
c/o Samuel S. Oh, Esq.
- 4 Lim, Ruger & Kim, LLP
1055 West Seventh St., Ste. 2800
- 5 Los Angeles, CA 90017
sam.oh@lrklawyers.com
- 6 Diapers.com
- 7 Attn: Jeffery Pomerance, Esq.
Pachulski Stang Ziehl & Jones
- 8 10100 Santa Monica Blvd., 11th Floor
Los Angeles, CA 90067-4100
- 9 jpomerantz@pszjlaw.com
- 10 General Growth Management, Inc., as Agent
Attn: Kristen N. Pate, Assistant Gen. Counsel
- 11 110 N. Wacker
Chicago, IL 60606
- 12 gppbk@ggp.com
- 13 GRP II Investors, L.P.; GRP II Partners, L.P.;
GRP II, L.P.; Oak Investment Partners IX;
- 14 Oak IX Affiliates Fund, L.P.; & Oak IX Affiliates Fund – A, L.P.
c/o Michael Foreman, Esq.
- 15 c/o Michelle Kreidler Dove, Esq.
DORSEY & WHITNEY LLP
- 16 250 Park Avenue
New York, NY 10177
- 17 foreman.michael@dorsey.com
dove.michelle@dorsey.com
- 18 Iron Mountain Information Management
- 19 c/o Frank F. McGinn
155 Federal Street, 9th Floor
- 20 Boston, MA 02110
ffm@bostonbusinesslaw.com
- 21 John Hancock Life Insurance Company (U.S.A.)
Successor-In-Interest from the Manufacturers Life Insurance Company
- 22 c/o David Seror, Esq.
- 23 Anthony A. Friedman, Esq.
Moldo Davidson Fraioli Serror & Sestanovich, LLP
- 24 2029 Century Park East, 21st Floor
Los Angeles, CA 90067
- 25 dseror@mdfslaw.com
afriedman@mdfslaw.com
- 26 Kashwere LLC
- 27 19749 Bahama Street
Northridge, CA 91324
- 28 patty@kashwere.com

- 1 Maricopa County Treasurer
- 2 Gust Rosenfeld P.L.C.
- 3 Attn: Madeleine C. Wanslee
- 4 201 E. Washington, Ste. 800
Phoenix, AZ 85004-2327
mwanslee@gustlaw.com
- 5 Maricopa County Treasurer
- 6 c/o Soukup & Schiff, LLP
- 7 Attn: Scott A. Schiff
- 8 1801 Century Park East, Ste 470
- 9 Los Angeles, CA 90067
- 10 sas@soukup-schiff.com
- 11 Maxtana Avenue, LLC
- 12 c/o Jeffrey A. Krieger, Esq.
- 13 Lina O. Balciunas, Esq.
- 14 Greenberg Glusker Fields Claman & Machtinger LLP
- 15 1900 Avenue of the Stars, 21st Floor
- 16 Los Angeles, CA 90067-4590
- 17 jkrieger@ggfirm.com
- 18 jbalsciunas@ggfirm.com
- 19 New Breed, Inc.
- 20 c/o Franklin C. Adams, Esq.
- 21 c/o William J. Wall, Esq.
- 22 Best Best & Krieger LLP
- 23 3750 University Avenue, Suite 400
- 24 PO Box 1028
- 25 Riverside, CA 92502
- 26 franklin.adams@bbklaw.com
- 27 william.wall@bbklaw.com
- 28 NorthPark Partners, LP
- 29 c/o James H. Billingsley, Esq.
- 30 c/o Michael Heyman, Esq.
- 31 Kirkpatrick & Lockhart Preston Gates Ellis LLP
- 32 1717 Main Street, Suite 2800
- 33 Dallas, TX 75201
- 34 james.billingsley@klgates.com
- 35 michael.heyman@klgates.com
- 36 Shaw Valenza LLP
- 37 520 Capitol Mall, Suite 630
- 38 Sacramento, CA 95814
- 39 gvalenza@shawvalenza.com
- 40 Simon Property Group, Inc.
- 41 Attn: Ronald M. Tucker, Esq.
- 42 225 W. Washington St.
- 43 Indianapolis, IN 46204
- 44 rtucker@simon.com
- 45 Stokke LLC

- 1 Attn: Tor Christian Sorlie
1100 Cobb Place Blvd., Ste. 100
- 2 Kennesaw, GA 30144
torr.christian.sorlie@stokke.com
- 3
- 4 Stokke LLC
c/o Thomas Rosseland, Esq.
Bodker, Ramsey, Andrews, Winograd & Wildstein
- 5 One Securities Center
3490 Piedmont Road, Ste. 1400
- 6 Atlanta, GA 30305-4808
trosseland@brawwlaw.com
- 7
- 8 Taubman Landlords
(West Farms Mall LLC;
Willow Bend Shopping Center LP, et al.)
- 9 c/o Taubman Realty Group Limited
The Taubman Company
- 10 Attn: Andrew S. Conway
200 E. Long Lake Road, Ste. 300
- 11 Bloomfield Hills, MI 48303-0200
Tel: (248) 258-7427
- 12 aconway@taubman.com
- 13 The Donovan Offices
Attn: James M. Donovan
- 14 Attn: Michael J. Glenn
Attn: John Monte
- 15 915 Wilshire Blvd., Ste. 950
Los Angeles, CA 90017
- 16 jmdonovan@thedonovanoffices.com
mjglenn@thedonovanoffices.com
- 17 montelaw@earthlink.net
- 18 The Irvine Company, LLC
c/o Ernie Zachary Park, Esq.
- 19 BEWLEY, LASSLEBEN & MILLER, LLP
13215 E. Penn St., Ste. 510
- 20 Whittier, CA 90602-1797
ernie.park@bewleylaw.com
- 21
- 22 Wachovia Capital Finance Corporation (Western)
Attn: Robin Van Meter, Vice President
251 South Lake Avenue, Suite 900
- 23 Pasadena, CA 91101
robin.vanmeter@wachovia.com
- 24
- 25 Wachovia Capital Finance Corporation (Western)
c/o William H. Kiekhofer III, Esq.
c/o Anthony J. Napolitano, Esq.
- 26 MAYER BROWN LLP
350 South Grand Ave., 25th Floor
- 27 Los Angeles, CA 90071
wkiekhofer@mayerbrown.com
- 28 anapolitano@mayerbrown.com

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.626.2311 • FAX 213.629.4520

- 1 Wachovia Capital Finance Corporation (Western)
- 2 Levy Small & Lallas
c/o Leo D. Plotkin, Esq.
- 3 815 Moraga Drive
Los Angeles, CA 90049
- 4 Tel 310.471-3000
Fax 310.471.7990
- 5 lplotkin@lsl-la.com

- 6 Westfield, LLC and
The Macerich Company
- 7 c/o Thomas J. Leanse, Esq.
c/o Brian D. Huben, Esq.
- 8 c/o Dustin P. Branch, Esq.
KATTEN MUCHIN ROSENMAN LLP
- 9 2029 Century Park East, Suite 2600
Los Angeles, CA 90067-3012
- 10 brian.huben@kattenlaw.com

- 11 Yvonne Besvold
c/o Michael Leight, Esq.
- 12 Law Offices of Michael Leight
6700 E. Pacific Coast Highway, Ste. 237
- 13 Long Beach, CA 90803
Tel 562.430.1009
- 14 Fax 562.431.2154
admin@leightlaw.net
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28