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7
8 Bankruptcy Counsel for eStyle, Inc.,
Debtor and Debtor in Possession

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

12 In re
13 ESTYLE, INC., a Delaware corporation,
14 dba babystyle, Cadeau, and Cadeau
15 Designs,
16
17 Debtor.

CASE NO. 2:08-bk-13518-SB

Chapter 11

**NOTICE OF MOTION TO REJECT
EXECUTORY CONTRACT BETWEEN
DEBTOR AND DOUBLECLICK
INC./EPSILON DATA MANAGEMENT,
LLC**

[11 U.S.C. 365(a); Fed. R. Bankr. P.
6006; Loc. Bankr. R. 9013-1(g)]

DATE: [No Hearing Requested]
TIME: [No Hearing Requested]
PLACE: U.S. Bankruptcy Court
Courtroom 1575
255 East Temple Street
Los Angeles, CA 90012

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23 **TO THE OFFICE OF THE UNITED STATES TRUSTEE; DOUBLECLICK INC.;**
24 **EPSILON DATA MANAGEMENT, LLC; AND OTHER INTERESTED PARTIES:**

25 **PLEASE TAKE NOTICE** that eStyle, Inc., dba babystyle, Cadeau, and Cadeau
26 Designs (the "Debtor"), has filed a Motion to Reject Executory Contract Between Debtor
27 and Doubleclick Inc./Epsilon Data Management, LLC (the "Motion") with the above-
28 captioned Court. By the Motion, the Debtor requests that the Court enter an order

1 authorizing the Debtor to reject the DoubleClick Master Services Agreement between the
2 Debtor and DoubleClick Inc., and all attachments thereto. The Debtor wishes to reject
3 the contract on the ground that the contract, which requires the Debtor to pay fees of at
4 least \$17,666 per month, is burdensome to the estate, and rejection of the contract is
5 consistent with the Debtor's business plan to reduce costs.

6 **PLEASE TAKE FURTHER NOTICE** that the background of the Motion and the
7 subject contract is as follows.

8 **A. The Debtor's Business**

9 The Debtor is a multichannel retailer that sells maternity, baby and kids
10 apparel and toys, gear and related products direct to the consumer. As of the petition
11 date, the Debtor sells its products at its 23 retail stores (21 babystyle stores and 2
12 Cadeau stores), through its babystyle.com website, and through a direct mail program.
13 The Debtor sells merchandise under its babystyle and Cadeau private labels and under
14 leading brand labels. The Debtor also sells its Cadeau brand product to wholesale
15 accounts.

16 **B. The Subject Contract**

17 The Debtor entered into various contracts in connection with its business.
18 In or about October 2006, the Debtor entered into the DoubleClick Master Services
19 Agreement with DoubleClick Inc., a copy of which is attached to the Motion as **Exhibit 1**
20 (the "Master Agreement"), pursuant to which DoubleClick Inc. or certain of its divisions,
21 including its Abacus and Data Management Solutions divisions (collectively,
22 "DoubleClick"), would provide various services and data to the Debtor. The particular
23 services to be provided by DoubleClick would be specified in written attachments to the
24 Master Agreement upon which the parties may agree from time to time.

25 The parties executed two attachments to the Master Agreement – an
26 attachment entitled the "DoubleClick DataEDGE Attachment," a copy of which is attached
27 to the Motion as **Exhibit 2** (the "DoubleClick DataEDGE Attachment"), and an
28 attachment entitled the "ClearEDGE/Channel View Attachment," a copy of which is

1 attached to the Motion as **Exhibit 3** (the "ClearEDGE/Channel View Attachment"). Both
2 attachments incorporate the Master Agreement by reference, but describe the specific
3 services to be provided by DoubleClick, and provide additional terms and conditions
4 relating to such services. The Master Agreement, the DoubleClick DataEDGE
5 Attachment, the ClearEDGE/Channel View Attachment, and any other attachments to the
6 Master Agreement¹ shall be collectively referred to herein as the "DoubleClick Contract".

7 Pursuant to the DoubleClick DataEDGE Attachment, DoubleClick provides
8 customer list processing services, which are specifically described in Schedule A to that
9 attachment. In exchange, the Debtor pays fees to DoubleClick. The fees vary according
10 to the specific service, and certain of the fees are calculated under a formula based on
11 the number of records processed by DoubleClick, and other factors.

12 Pursuant to the ClearEDGE/Channel View Attachment, DoubleClick
13 performs services that are generally categorized as either "ClearEDGE Services" or
14 "Channel View Services." Under the ClearEDGE Service, DoubleClick houses certain
15 data relating to the Debtor's customers, and allows the Debtor to access and use such
16 data via DoubleClick's data management system. Under the ChannelView Service,
17 DoubleClick provides performance reporting for direct mail and/or email campaigns.

18 The fees for the ClearEDGE Services and ChannelView Services are set
19 forth in Schedule B to the ClearEDGE/Channel View Attachment. For the implementation
20 of the ClearEDGE Service and for the ChannelView Service, the Debtor is required to
21 pay a total of \$40,000, which is payable in installments of \$1,666.00 per month for 24
22 months. In addition, for ClearEDGE access, updates, and support, the Debtor is required
23 to pay a monthly service fee of \$16,000 per month. The Debtor is also required to pay
24 additional fees for other services provided by DoubleClick on an as-needed basis.

25
26
27 ¹ The Debtor is not aware of any attachments to the Master Agreement other than the
28 DoubleClick DataEDGE Attachment and the ClearEDGE/Channel View Attachment.

1 The DoubleClick Contract became effective on October 23, 2006, and is
2 scheduled to terminate on about October 23, 2009, unless terminated earlier in
3 accordance with the contract.

4 The Debtor is informed that after execution of the DoubleClick Contract,
5 DoubleClick was acquired Epsilon Data Management, LLC ("Epsilon"), and that Epsilon
6 became DoubleClick's successor in interest under the DoubleClick Contract.

7
8 **C. The Bankruptcy Case**

9 The Debtor's operations have historically not been profitable. The Debtor's
10 rehabilitation requires reorganization of the Debtor's operations and capital structure
11 and/or a sale or refinancing of the Debtor's business and/or assets. The Debtor is in the
12 process of implementing a business plan designed to reduce costs, improve operations,
13 eliminate unprofitable locations, and enhance the Debtor's long-term viability. Among
14 other things, in the weeks prior to commencement of its bankruptcy case, the Debtor
15 terminated 13 employees, evaluated its operations, and determined that at this time it is
16 necessary to close 6 of its retail stores, subject to conducting store closing sales to
17 maximize the value of the Debtor's inventory at the locations to be closed.

18 On March 19, 2008 (the "Petition Date"), the Debtor filed a voluntary petition
19 for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"),
20 commencing the instant bankruptcy case. The Debtor remains in possession of its
21 assets and continues to operate its business as a debtor in possession pursuant to
22 Bankruptcy Code sections 1107(a) and 1108.

23 As part of its cost-cutting measures, the Debtor wishes to reject certain
24 contracts and leases, including the DoubleClick Contract. On April 1, 2008, the Debtor
25 notified Epsilon that the Debtor no longer requires Epsilon's services under the
26 DoubleClick Contract, and Epsilon indicated that it would stop billing the Debtor upon
27 cessation of the services.

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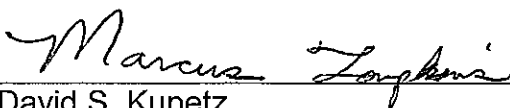
1 **PLEASE TAKE FURTHER NOTICE** that the Debtor's Motion requests that the
2 Court enter an order: (1) authorizing the Debtor to reject the Master Agreement and all
3 attachments thereto, including but not limited to the DoubleClick DataEDGE Attachment
4 and the ClearEDGE/Channel View Attachment; and (2) granting such other relief as the
5 Court deems just and proper.

6 **PLEASE TAKE FURTHER NOTICE** that the Debtor's Motion has been filed with
7 the Clerk of the United States Bankruptcy Court and may be viewed at the Records
8 Section of the Clerk's office located at 300 North Los Angeles Street, Los Angeles, CA
9 90012. A copy of the Motion may also be obtained by contacting the undersigned at the
10 address and telephone number indicated in the upper left corner of the first page of this
11 notice.

12 **PLEASE TAKE FURTHER NOTICE** that any formal response in opposition to the
13 Motion, and request for a hearing, must (1) comply with Local Bankruptcy Rule 9013-
14 1(a)(7), (2) be filed with the Clerk of the Court, and (3) be served upon the Debtor's
15 attorney (whose name and address are indicated on the upper left-hand corner of the first
16 page of this notice) within 15 days of the date this Notice was served. If any such
17 response is timely received, the Debtor will set a hearing date and send out notice
18 thereof. No hearing will be held if no response and request for hearing is received.
19 Pursuant to Local Bankruptcy Rule 9013-1(a)(11), the failure to timely file and serve an
20 opposition to the Motion may be deemed as your consent to the granting of the Motion. If
21 you do not oppose the Motion, you need not take any further action.

22 DATED: April 10, 2008

SulmeyerKupetz
A Professional Corporation

23
24 By: 
25 David S. Kupetz
26 Mark S. Horoupian
27 Marcus A. Tompkins
28 Bankruptcy Counsel for eStyle, Inc.,
Debtor and Debtor in Possession

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

At the time of service, I was over 18 years of age and **not a party to this action**. I 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.

On April 10, 2008, I served the following document(s) described as **NOTICE OF MOTION TO REJECT EXECUTORY CONTRACT BETWEEN DEBTOR AND DOUBLECLICK INC./EPSILON DATA MANAGEMENT, LLC** on the interested parties in this action as follows:

SEE ATTACHED SERVICE LIST

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

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 April 10, 2008, at Los Angeles, California.



Maria R. Viramontes

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SERVICE LIST

(In accordance with Order Limiting Notice entered 4/10/08)

Debtor

eStyle, Inc.
865 South Figueroa Street
Suite 2700
Los Angeles, CA 90017

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

Interested Parties

DoubleClick Inc.
c/o C T Corporation System (Registered Agent)
818 West Seventh St.
Los Angeles, CA 90017

Epsilon Data Management, LLC,
(Successor to DoubleClick Inc.)
Attn: Andrew Kaufman
Attn: Pierre Charchaflain
2550 Crescent Dr
Lafayette, CO 80026

Epsilon Data Management, LLC
c/o CT Corporation System (C0168406)
818 West Seventh St.
Los Angeles, CA 90017

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

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

Dream International USA, Inc.
c/o Samuel S. Oh, Esq.
Lim, Ruger & Kim, LLP
1055 West Seventh St., Ste. 2800
Los Angeles, CA 90017

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- 1 General Growth Management, Inc., as Agent
Attn: Kristen N. Pate, Assistant Gen. Counsel
- 2 110 N. Wacker
Chicago, IL 60606
- 3
- 4 GRP II Investors, L.P.; GRP II Partners, L.P;
GRP II, L.P.; Oak Investment Partners IX;
Oak IX Affiliates Fund, L.P.; & Oak IX Affiliates Fund – A, L.P.
- 5 c/o Michael Foreman, Esq.
c/o Michelle Kreidler Dove, Esq.
- 6 DORSEY & WHITNEY LLP
250 Park Avenue
7 New York, NY 10177
- 8 Simon Property Group, Inc.
Attn: Ronald M. Tucker, Esq.
- 9 225 W. Washington St.
Indianapolis, IN 46204
- 10 Tel: (317) 263-2346
- 11 Taubman Landlords
(West Farms Mall LLC;
12 Willow Bend Shopping Center LP, et al.)
c/o Taubman Realty Group Limited
- 13 The Taubman Company
Attn: Andrew S. Conway
- 14 200 E. Long Lake Road, Ste. 300
Bloomfield Hills, MI 48303-0200
- 15
- 16 The Irvine Company, LLC
c/o Ernie Zachary Park, Esq.
BEWLEY, LASSLEBEN & MILLER, LLP
- 17 13215 E. Penn St., Ste. 510
Whittier, CA 90602-1797
- 18
- 19 Wachovia Capital Finance Corporation (Western)
Attn: Robin Van Meter, Vice President
251 South Lake Avenue, Suite 900
- 20 Pasadena, CA 91101
- 21 Wachovia Capital Finance Corporation (Western)
c/o William H. Kiekhofer III, Esq.
- 22 c/o Anthony J. Napolitano, Esq.
MAYER BROWN LLP
- 23 350 South Grand Ave., 25th Floor
Los Angeles, CA 90071
- 24
- 25 Westfield, LLC and
The Macerich Company
c/o Thomas J. Leanse, Esq.
- 26 c/o Brian D. Huben, Esq.
c/o Dustin P. Branch, Esq.
- 27 KATTEN MUCHIN ROSENMAN LLP
2029 Century Park East, Suite 2600
- 28 Los Angeles, CA 90067-3012

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Secured Creditors

GRP II Investors, L.P.; GRP II Partners, L.P.;
GRP II, L.P.; Oak Investment Partners IX;
Oak IX Affiliates Fund, L.P.; & Oak IX Affiliates Fund – A, L.P.
c/o Michael Foreman, Esq.
c/o Michelle Kreidler Dove, Esq.
DORSEY & WHITNEY LLP
250 Park Avenue
New York, NY 10177

Wachovia Capital Finance Corporation (Western)
Attn: Robin Van Meter, Vice President
251 South Lake Avenue, Suite 900
Pasadena, CA 91101

Wachovia Capital Finance Corporation (Western)
c/o William H. Kiekhof III, Esq.
c/o Anthony J. Napolitano, Esq.
MAYER BROWN LLP
350 South Grand Ave., 25th Floor
Los Angeles, CA 90071

Internal Revenue Service

Internal Revenue Service
P.O. Box 21126
Philadelphia, PA 19114

Internal Revenue Service
Insolvency I Stop 5022
300 North Los Angeles Street, Room 4062
Los Angeles, CA 90012-9903

Attorney General
United States Department of Justice
Ben Franklin Station
P.O. Box 683
Washington, DC 20044

United States Department of Justice Tax Division
Civil Trial Section, Western Region
P.O. Box 683
Ben Franklin Station
Washington, DC 20044

United States Attorney's Office Tax Division
Federal Building, Room 7211
300 North Los Angeles Street
Los Angeles, CA 90012

Civil Process Clerk
United States Attorney's Office
Federal Building, Room 7516
300 North Los Angeles Street
Los Angeles, CA 90012

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