

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re:

PERFECT BROW ART, INC., *et al.*

Debtors.<sup>1</sup>

)  
) Chapter 11  
)  
) Case No. 19-1811  
) (Joint Administration Requested)  
)  
) Honorable Donald R. Cassling  
)

**DEBTORS' APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING THE  
DEBTORS TO RETAIN AND APPOINT STRETTO AS CLAIMS AND NOTICING  
AGENT EFFECTIVE *NUNC PRO TUNC* TO THE PETITION DATE**

Perfect Brow Art, Inc. and its debtor affiliates, as debtors-in-possession in the above-captioned chapter 11 cases (collectively, the “*Debtors*”), seek entry of an order, pursuant to 28 U.S.C. § 156(c), Section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “*Bankruptcy Code*”), Rule 2002 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rule*”), and rules 1007-1 and 1007-2 of the Local Rules for the United States Bankruptcy Court for the Northern District of Illinois (the “*Local Rules*”), authorizing the retention and appointment of Stretto (“*Stretto*”) as claims and noticing agent (“*Claims and Noticing Agent*”) for the Debtors effective *nunc pro tunc* to the Petition Date (as defined herein). In support of this application, the Debtors submit the *Declaration of Travis Vandell, Managing Director, of Stretto* (the “*Vandell Declaration*”), which is attached hereto as **Exhibit A**, and the *Declaration of Elizabeth Porikos-Gorgees in Support of First Day Motions and Applications* (the “*First Day Declaration*”). In further support of this application, the Debtors respectfully state as follows:

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<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: (i) Perfect Brow Art, Inc. (5731); (ii) Perfect Brow Florida, Inc. (5602), (iii) Perfect Brow Puerto Rico, Inc. (3497), (iv) Perfect Brow New York, Inc. (2041), (v) Locks Rock, Inc. (5046), (vi) P.B. Art Franchise, Inc. (0026), (vii) Perfect Brow Oakland, Inc. (5727), and (viii) Ooh La La Franchise Beauty Bar, Inc. (0714).

### **Jurisdiction and Venue**

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

### **Background**

3. On January 22, 2019 (“*Petition Date*”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “*Chapter 11 Cases*”) in the United States Bankruptcy Court for the Northern District of Illinois (the “*Court*”). The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

4. The factual background relating to the Debtors’ commencement of these chapter 11 cases is set forth in detail in the First Day Declaration filed on the Petition Date and incorporated herein by reference.

### **Relief Requested**

5. By this application, the Debtors seek an order authorizing and approving their retention of Stretto as of the Petition Date to primarily, among other things: (a) serve as the Court’s noticing agent and mail notices to the Debtors’ creditors and other parties in interest; (b) maintain the official claims register; and (c) serve as the solicitation and balloting agent in connection with any proposed chapter 11 plan.

6. The Debtors request that the Court enter an order authorizing the Debtors to employ Stretto under the terms of the Stretto Engagement Letter (the “*Engagement Letter*”), attached hereto as **Exhibit B**, to perform, among other things, the following functions:

- a) Relieve the Court of all noticing under any applicable Bankruptcy Rule, including those relating to the institution of any claims bar date and the processing of claims;
- b) File with the Court a certificate of service, within ten (10) days after each service, a list of persons to whom service was made and the manner and date thereof;
- c) Maintain an up-to-date mailing list of all entities that have requested service of pleadings in this case and a master service list of creditors and other parties in interest, which lists shall be available upon request of the Court;
- d) Comply with applicable state, municipal and local laws and rules, orders, regulations and requirements of federal government departments and bureaus;
- e) Assist the Debtors with administrative tasks in the preparation of their Schedules of Assets and Liabilities and Statement of Financial Affairs;
- f) Provide balloting services in connection with the solicitation process for any chapter 11 plan;
- g) At any time, upon request, satisfy the Court that it has the capability to efficiently and effectively notice, docket and maintain proofs of claim;
- h) Furnish notice(s) of bar date(s) approved by the Court for the filing of proofs of claim (including the coordination of publication, if necessary) and a form for filing a proof of claim to each party notified of the filing;
- i) Maintain all proofs of claim filed against the Debtors' estate;
- j) Maintain an official claims register by docketing all proofs of claim on a register containing certain information, including, but not limited to, the following: the name and address of claimant and agent, if agent filed proof of claim; the date received; the claim number assigned; the amount and classification asserted; the scheduled amount of the creditor's claim (if applicable); and pertinent comments concerning disposition of claims;
- k) Maintain the original proofs of claim in correct claim number order, in an environmentally secure area, and protect the integrity of these original documents;
- l) Transmit to the Court an official copy of the claims register on a monthly basis, unless requested in writing by the Court on a more/less frequent basis;
- m) Maintain an up-to-date mailing list for all entities that have filed a proof of claim, which list shall be available upon request of a party in interest or the Court;
- n) Provide access to the public for examination of copies of the proofs of claim or proofs of interest in this case without charge during regular business hours;

- o) Record all transfers of claims under Bankruptcy Rule 3001(e) and provide notice of the transfers as required by Bankruptcy Rule 3001(e);
- p) Maintain Court orders concerning claims resolution; and
- q) Promptly comply with such further conditions and requirements as the Court may hereafter prescribe.

**Basis for Relief**

7. The Court is authorized to “utilize facilities or services, either on or off the Court’s premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in bankruptcy cases where the costs of such facilities or services are paid for out of the assets of the estate and are not charged to the United States.” 28 U.S.C. § 156(c).

8. Under Bankruptcy Rule 1007(a)(1) and Local Rule 1007-1, a chapter 11 petition for relief is to be accompanied by a list of parties in interest (the “*Mailing Matrix*”) in a computer readable format designed and published from time to time by the clerk of the Court (the “*Clerk*”). Bankruptcy Rule 2002 provides that certain notices must be served upon creditors and parties in interest. Under Bankruptcy Rule 2002, the court may direct that some person other than the Clerk of the Court serve Bankruptcy Rule 2002 notices upon creditors and parties in interest.

9. Local Rule 1007-2 provides that “[i]n all cases with more than 500 creditors, the Debtors must file a motion to employ a notice and claims agent approved by the clerk to perform this function.” L.R. 1007-2(B). Here, the Debtors have hundreds of creditors. Given the size of the Debtors’ creditor list, it will be more efficient and less burdensome on the Clerk of the Court to have Stretto accomplish tasks in connection with providing notice to the various parties in interest and processing proofs of claims (including maintaining a claims register). Moreover, the Debtors may require a balloting and voting agent to assist the Debtors with the solicitation and voting in respect of any chapter 11 plan.

10. The relief requested in this Application has been granted by this Court in the past. *See, e.g., In re Chellino Crane, Inc.* (Case No. 17-142000); *In re Caesars Entertainment Operating Co., Inc.* (Case No. 15-01145); *In re Budd Company, Inc.* (Case No. 14-11873); *In re Edison Mission Energy* (Case No. 12-49219).

11. Stretto is well-qualified to serve as noticing, claims, and balloting agent. Stretto, a relatively new chapter 11 administrator, is comprised of leading industry professionals with significant experience in both the legal and administrative aspects of large, complex chapter 11 cases. Stretto's professionals have experience in noticing, claims administration, solicitation, balloting and facilitating other administrative aspects of chapter 11 cases and experience in matters of this size and complexity. Stretto's professionals previously have acted as debtor's legal counsel or official claims and noticing agent in many large bankruptcy cases in this District and in other districts nationwide.

### **Compensation**

12. Subject to the Court's approval, Stretto will provide the services set forth above under the terms of the Engagement Letter.

13. Subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and orders of the Court, the Debtors propose to pay Stretto its customary rates for services rendered that are in effect from time to time, as set forth in the Engagement Agreement, and to reimburse Stretto according to its customary reimbursement policies, and submits that such rates are reasonable and appropriate for services of this nature and comparable to those charged by other providers of similar services. The Debtors request that the undisputed fees and expenses incurred by Stretto in the performance of the above services be treated as administrative expenses of the Debtors' estates under 28 U.S.C. § 156(c) and section 503(b)(1)(A) of the Bankruptcy Code and

be paid in the ordinary course of business without further application to or order of the Court or need for Stretto to file a proof of claim.

14. Stretto received a \$5,000 retainer from the Debtors prior to the Petition Date.

15. Stretto acknowledges that it will perform its duties if it is retained in the Debtors' Chapter 11 Cases regardless of payment and to the extent that Stretto requires redress, it will seek appropriate relief from the Court.

16. In the event that Stretto's services are terminated, Stretto shall perform its duties until the occurrence of a complete transition with the Court or any successor Claims Agent.

**Notice and No Prior Request**

17. Notice of this Application has been given to: (a) the United States Trustee; (b) entities that have filed UCC-1 financing statements against the Debtors; (c) each Debtor's 20 largest unsecured creditors; and (d) any party that has appeared or requested notice in these Chapter 11 Cases. In light of the nature of the relief requested by this Application, the Debtors submit that no further notice is required.

18. No prior request for the relief sought in this Application has been made to this or any other court.

WHEREFORE the Debtors request that the Court enter an order, substantially in the form filed simultaneously herewith, granting the relief requested in this Application, and any other further relief the Court deems appropriate.

Respectfully submitted,

Dated: January 23, 2019

PERFECT BROW ART, INC.

By: /s/ Harold D. Israel

Harold D. Israel

Jeffrey M. Goldberg

**GOLDSTEIN & MCCLINTOCK LLP**

111 W. Washington Street, Suite 1221

Chicago, IL 60602

Telephone: (312) 337-7700

Facsimile: (312) 277-2310

*Proposed attorneys for the Debtors*

# **Exhibit A**



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re:

PERFECT BROW ART, INC., *et al.*

Debtors.<sup>1</sup>

)  
) Chapter 11  
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) Case No. 19-1811  
) (Joint Administration Requested)  
)  
) Honorable Donald R. Cassling  
)

**DECLARATION OF TRAVIS VANDELL, MANAGING DIRECTOR, OF STRETTO**

I, Travis Vandell, declare, aver, and state as follows:

1. I am a Managing Director with Stretto (“*Stretto*”), a company specializing in the provision of claims administration, noticing and related services for significant bankruptcy cases, with offices located at 410 Exchange, Suite 100, Irvine, CA 92606. I make this declaration on behalf of Stretto (the “*Declaration*”).

2. I submit this Declaration in support of the application of Perfect Brow Art, Inc. and its related affiliates, (the “*Debtors*”), as debtors and debtors in possession, for entry of an order authorizing the Debtors to retain Stretto as claims and noticing agent effective *nunc pro tunc* to the petition date (the “*Application*”) under the terms and conditions set forth in the Engagement Letter<sup>2</sup>. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents or my opinion based upon my experience, knowledge and information concerning the operations and financial affairs of Stretto. If I were called upon to testify, I would testify competently to the facts set forth in this Declaration.

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<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: (i) Perfect Brow Art, Inc. (5731); (ii) Perfect Brow Florida, Inc. (5602), (iii) Perfect Brow Puerto Rico, Inc. (3497), (iv) Perfect Brow New York, Inc. (2041), (v) Locks Rock, Inc. (5046), (vi) P.B. Art Franchise, Inc. (0026), (vii) Perfect Brow Oakland, Inc. (5727), and (viii) Ooh La La Franchise Beauty Bar, Inc. (0714).

<sup>2</sup> Capitalized terms not defined herein shall have the meaning ascribed to them in the Application.

3. Stretto, relatively new chapter 11 administrator, is comprised of leading industry professionals with significant experience in both the legal and administrative aspects of large, complex chapter 11 cases. Stretto's professionals have experience in noticing, claims administration, solicitation, balloting and facilitating other administrative aspects of chapter 11 cases and experience in matters of this size and complexity. Stretto's professionals previously have acted as debtor's legal counsel or official claims and noticing agent in many large bankruptcy cases in this District and in other districts nationwide.

4. Stretto received a \$5,000 retainer from the Debtors prior to the Petition Date.

5. The compensation arrangement provided for in the Engagement Letter is consistent with, and typical of, arrangements entered into by Stretto and other such firms with respect to rendering comparable services for entities such as the Debtors.

6. The Debtors will pay Stretto's fees and expenses upon the submission of monthly invoices from Stretto summarizing, in reasonable detail, the services for which compensation is sought.

7. To the best of my knowledge and belief, neither I nor Stretto holds or represents any interest adverse to the Debtors' estates. Further, Stretto will not represent any other entity in connection with these Cases.

8. Based on the information available to me, Stretto is a "disinterested person" within the meaning of Bankruptcy Code section 101(14) and holds no interest adverse to the Debtors and their estates.

9. I am not related or connected to and, to the best of my knowledge, no other Stretto professional is related or connected to any United States Bankruptcy Judge for the Northern District of Illinois or the United States Trustee or to any employee in the offices thereof.

10. To the best of my knowledge and belief, and except as described herein, neither I nor Stretto nor any officer or employee of Stretto has any connection or relationship with the Debtors that would conflict with the Stretto's retention or would create any interest adverse to the Debtors' estate, any appointed committee or any other party in interest. Stretto has and will continue to serve clients in matters unrelated to this case and has, and will continue to have, relationships in the ordinary course of its business with certain vendors, professionals and other parties in interest in connection with matters unrelated to this case.

11. There is no agreement or understanding between Stretto and any other person or entity for sharing compensation received or to be received for services rendered by Stretto in connection with the Chapter 11 Cases.

Dated: January 22, 2019

/s/ Travis Vandell  
Name: Travis Vandell  
Title: Managing Director  
Stretto

# **Exhibit B**



## Stretto Engagement Agreement

This Agreement is entered into as of January 20, 2019 between Stretto and Perfect Brow Art, Inc. (together with its affiliates and subsidiaries, the "Company")<sup>1</sup>

In consideration of the promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows

### 1. Services

- (a) Stretto agrees to provide the Company with consulting services regarding legal noticing, claims management and reconciliation, plan solicitation, balloting, disbursements, preparation of schedules of assets and liabilities and statements of financial affairs, communications, confidential online workspaces or data rooms (publication to which shall not violate the confidentiality provisions of this Agreement) and any other services agreed upon by the parties or otherwise required by applicable law, governmental regulations or court rules or orders (all such services collectively, the "Services") .
- (b) The Company acknowledges and agrees that Stretto will often take direction from the Company's representatives, employees, agents and/or professionals (collectively, the "Company Parties") with respect to providing Services hereunder. The parties agree that Stretto may rely upon, and the Company agrees to be bound by, any requests, advice or information provided by the Company Parties to the same extent as if such requests, advice or information were provided by the Company
- (c) The Company agrees and understands that Stretto shall not provide the Company or any other party with legal advice.

### 2. Rates, Expenses and Payment

- (a) Stretto will provide the Services on an as-needed basis and upon request or agreement of the Company, in each case in accordance with the rate structure attached hereto and incorporated by reference herein (the "Rate Structure"). The Company agrees to pay for reasonable out of pocket expenses incurred by Stretto in connection with providing Services hereunder.
- (b) The Rate Structure sets forth individual unit pricing for each of the Services. The Company may request separate Services or all of the Services
- (c) Stretto will bill the Company no less frequently than monthly. All invoices shall be due and payable upon receipt. Where an expense or group of expenses to be incurred is expected to exceed \$10,000 (e.g., publication notice), Stretto may require advance or direct payment from the Company before the performance of Services hereunder. If any amount is unpaid as of 30 days after delivery of an invoice, the Company agrees to pay a late charge equal to 1.5% of the total amount unpaid every 30 days

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<sup>1</sup> The Company shall include, to the extent applicable, the Company, as debtor and debtor in possession in any chapter 11 case, together with any affiliated debtors and debtors in possession whose chapter 11 cases are jointly administered with the Company's chapter 11 case.



- (d) In the case of a good faith dispute with respect to an invoice amount, the Company shall provide a detailed written notice of such dispute to Stretto within 30 days of receipt of the invoice.
- (e) The undisputed portion of the invoice will remain due and payable immediately upon receipt thereof. Late charges shall not accrue on any amounts disputed in good faith.
- (f) The Company shall pay any fees and expenses for Services relating to, arising out of or resulting from any error or omission made by the Company or the Company Parties.
- (g) The Company shall pay or reimburse any taxes that are applicable to Services performed hereunder or that are measured by payments made hereunder and are required to be collected by Stretto or paid by Stretto to a taxing authority.
- (h) Upon execution of this Agreement, the Company shall pay Stretto an advance of \$5,000.00. Stretto may use such advance against unpaid fees and expenses hereunder. Stretto may use the advance against all prepetition fees and expenses. Company shall upon Stretto's request, which request may take the form of an invoice, replenish the advance to the original advance amount. Stretto may also, at its option hold such advance to apply against unpaid fees and expenses hereunder.
- (i) Stretto reserves the right to make reasonable increases to the Rate Structure on an annual basis effective on the first business day of each year. If such annual increases represent an increase greater than 10% from the previous year's levels, Stretto shall provide 30 days' notice to the Company of such increases.

### 3. Retention in Bankruptcy Case

- (a) If the Company commences a case pursuant to title 11 of the United States Code (the "Bankruptcy Code"), the Company promptly shall file applications with the Bankruptcy Court to retain Stretto (i) as claims and noticing agent pursuant to 28 U.S.C. § 156(c) and (ii) as administrative advisor pursuant to section 327(a) of the Bankruptcy Code for all Services that fall outside the scope of 28 U.S.C. § 156(c). The form and substance of such applications and any order approving them shall be reasonably acceptable to Stretto.
- (b) If any Company chapter 11 case converts to a case under chapter 7 of the Bankruptcy Code, Stretto will continue to be paid for Services pursuant to 28 U.S.C. § 156(c) and the terms hereunder.

### 4. Confidentiality

- (a) The Company and Stretto agree to keep confidential all non public records, systems, procedures, software and other information received from the other party in connection with the Services provided hereunder; provided, however, that if any such information was publicly available, already in the receiving party's possession or known to it, independently developed by the receiving party, lawfully obtained by the receiving party from a third party or required to be disclosed by law, then the receiving party shall bear no responsibility for publicly disclosing such information.
- (b) If either party reasonably believes that it is required to disclose any confidential information pursuant to an order from a governmental authority, (i) such party shall provide written notice to the other party promptly after receiving such order, to allow the other party sufficient time, if possible, to seek any remedy available under applicable law.



to prevent disclosure of the information; and (ii) such party will limit such disclosure to the extent the such party's counsel in good faith determines such disclosure can be limited.

## **5. Property Rights**

Stretto reserves all property rights in and to all materials, concepts, creations, inventions, works of authorship, improvements, designs, innovations, ideas, discoveries, know-how, techniques, programs, systems, specifications, applications, processes, routines, manuals, documentation and any other information or property (collectively, "Property") furnished by Stretto for itself or for use by the Company hereunder. The foregoing definition of Property shall include any and all data, from any source, downloaded, stored and maintained by Stretto's technology infrastructure. Fees and expenses paid by the Company do not vest in the Company any rights in such Property. Such Property is only being made available for the Company's use during and in connection with the Services provided by Stretto hereunder.

## **6. Bank Accounts**

At the request of the Company or the Company Parties, Stretto shall be authorized to establish accounts with financial institutions in the name of and as agent for the Company to facilitate distributions pursuant to a chapter 11 plan or other transaction. To the extent that certain financial products are provided to the Company pursuant to Stretto's agreement with financial institutions, Stretto may receive compensation from such institutions for the services Stretto provides pursuant to such agreement.

## **7. Term and Termination**

- (a) This Agreement shall remain in effect until terminated by either party: (i) on 30 days' prior written notice to other party, or (ii) immediately upon written notice for Cause (as defined herein). "Cause" means (i) gross negligence or willful misconduct of Stretto that causes material harm to the Company's restructuring under chapter 11 of the Bankruptcy Code, (ii) the failure of the Company to pay Stretto invoices for more than 60 days from the date of invoice or (iii) the accrual of invoices or unpaid Services in excess of the advance held by Stretto where Stretto reasonably believes it will not be paid.
- (b) If this Agreement is terminated after Stretto is retained pursuant to Bankruptcy Court order, the Company promptly shall seek entry of a Bankruptcy Court order discharging Stretto of its duties under such retention, which order shall be in form and substance reasonably acceptable to Stretto.
- (c) If this Agreement is terminated, the Company shall remain liable for all amounts then accrued and/or due and owing to Stretto hereunder.
- (d) If this Agreement is terminated, Stretto shall coordinate with the Company and, to the extent applicable, the clerk of the Bankruptcy Court, to maintain an orderly transfer of record keeping functions, and Stretto shall provide the necessary staff, services and assistance required for such an orderly transfer. The Company agrees to pay for such Services pursuant to the Rate Structure.



## **8. No Representations or Warranties**

Stretto makes no representations or warranties, express or implied, including, without limitation, any express or implied warranty of merchantability, fitness or adequacy for a particular purpose or use, quality, productiveness or capacity

## **9. Indemnification**

- (a) To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless Stretto and its members, directors, officers, employees, representatives, affiliates, consultants, subcontractors and agents (collectively, the "Indemnified Parties") from and against any and all losses, claims, damages, judgments, liabilities and expenses, whether direct or indirect (including, without limitation, counsel fees and expenses) (collectively, "Losses") resulting from, arising out of or related to Stretto's performance hereunder. Without limiting the generality of the foregoing, Losses include any liabilities resulting from claims by any third parties against any Indemnified Party.
- (b) Stretto and the Company shall notify each other in writing promptly upon the assertion, threat or commencement of any claim, action, investigation or proceeding that either party becomes aware of with respect to the Services provided hereunder.
- (c) The Company's indemnification of Stretto hereunder shall exclude Losses resulting from Stretto's gross negligence or willful misconduct
- (d) The Company's indemnification obligations hereunder shall survive the termination of this Agreement.

## **10. Limitations of Liability**

Except as expressly provided herein, Stretto's liability to the Company for any Losses, unless due to Stretto's gross negligence or willful misconduct, shall be limited to the total amount paid by the Company to Stretto for the portion of the particular work that gave rise to the alleged Loss. In no event shall either party be liable for any indirect, special or consequential damages (such as loss of anticipated profits or other economic loss) in connection with or arising out of the Services provided hereunder.

## **11. Company Data**

- (a) The Company is responsible for, and Stretto does not verify, the accuracy of the programs, data and other information it or any Company Party submits for processing to Stretto and for the output of such information, including, without limitation, with respect to preparation of statements of financial affairs and schedules of assets and liabilities (collectively, "SOFAs and Schedules") Stretto bears no responsibility for the accuracy and content of SOFAs and Schedules, and the Company is deemed hereunder to have approved and reviewed all SOFAs and Schedules filed on its behalf
- (b) The Company agrees, represents and warrants to Stretto that before delivery of any information to Stretto. (i) the Company has full authority to deliver such information to Stretto, and (ii) Stretto is authorized to use such information to perform Services hereunder and as otherwise set forth in this Agreement.





- (c) Any data, storage media, programs or other materials furnished to Stretto by the Company may be retained by Stretto until the Services provided hereunder are paid in full. The Company shall remain liable for all fees and expenses incurred by Stretto under this Agreement as a result of data, storage media or other materials maintained, stored or disposed of by Stretto. Any such disposal shall be in a manner requested by or acceptable to the Company; provided that if the Company has not utilized Stretto's Services for a period of 90 days or more, Stretto may dispose of any such materials in a manner to be determined in Stretto's sole reasonable discretion after giving the Company 30 days' notice. Stretto shall be reimbursed for such disposal in event the Company requests such materials be delivered to it or a requested/designated third party. The Company agrees to initiate and maintain backup files that would allow the Company to regenerate or duplicate all programs, data or information provided by the Company to Stretto.
- (d) Notwithstanding the foregoing, if Stretto is retained pursuant to Bankruptcy Court order, disposal of any Company data, storage media or other materials shall comply with any applicable court orders and rules or clerk's office instructions

## **12. Non-Solicitation**

The Company agrees that neither it nor any of its subsidiaries or affiliates shall directly or indirectly solicit for employment, employ or otherwise retain as employees, consultants or otherwise, any employees of Stretto during the term of this Agreement and for a period of 12 months after termination thereof unless Stretto provides prior written consent to such solicitation or retention.

## **13. Force Majeure**

Whenever performance by Stretto of any of its obligations hereunder is materially prevented or impacted by reason of any act of God, government requirement, strike, lock-out or other industrial or transportation disturbance, fire, flood, epidemic, lack of materials, law, regulation or ordinance, act of terrorism, war or war condition, or by reason of any other matter beyond Stretto's reasonable control, then such performance shall be excused.

## **14. Choice of Law**

The validity, enforceability and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California

## **15. Arbitration**

Prior to the to the filing of a bankruptcy case, any dispute arising out of or relating to this Agreement or the breach thereof shall be finally resolved by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction. There shall be three arbitrators named in accordance with such rules. The arbitration shall be conducted in the English language in California in accordance with the United States Arbitration Act. Notwithstanding the foregoing, upon commencement of any chapter 11 case(s) by the Company, any disputes related to this Agreement shall be decided by the bankruptcy court assigned to such



chapter 11 case(s). Any disputes arising out of relating to this agreement during the course of a bankruptcy case shall be determined by the Bankruptcy Court.

**16. Integration: Severability; Modifications: Assignment**

- (a) Each party acknowledges that it has read this Agreement, understands it and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes and merges all prior proposals, understandings, agreements and communications between the parties relating to the subject matter hereof
- (b) If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.
- (c) This Agreement may be modified only by a writing duly executed by an authorized representative of the Company and an officer of Stretto.
- (d) This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other; provided, however, that Stretto may assign this Agreement to a wholly-owned subsidiary or affiliate without the Company's consent.

**17. Effectiveness of Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which shall constitute one and the same agreement. This Agreement will become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, which delivery may be made by exchange of copies of the signature page by fax or email.

**18. Notices**

All notices and requests in connection with this Agreement shall be sufficiently given or made if given or made in writing via hand delivery, overnight courier, U.S. Mail (postage prepaid) or email, and addressed as follows:

If to Stretto:

Stretto  
410 Exchange, Ste 100  
Irvine, CA 92606  
Attn: Eric Kurtzman  
Tel: (714) 716-1841  
Email: eric.kurtzman@stretto.com



If to the Company.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

Stretto

A handwritten signature in black ink, appearing to read "Travis Vandell", written over a horizontal line.

By: Travis Vandell

Title: Managing Director

[COMPANY]

A handwritten signature in black ink, appearing to read "Elizabeth Porikos-Gorgees", written over a horizontal line.

By: Elizabeth Porikos-Gorgees  
Title: President

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
Eastern Division

In Re:	)	BK No.: 19-01811
	)	
Perfect Brow Art, Inc. et al.	)	Chapter: 11
	)	Honorable Donald R. Cassling
	)	
Debtor(s)	)	

**ORDER AUTHORIZING THE DEBTORS TO RETAIN AND APPOINT STRETTO AS  
CLAIMS AND NOTICING AGENT EFFECTIVE NUNC PRO TUNC TO THE PETITION  
DATE**

Upon the application (the "Application") of Perfect Brow Art, Inc. and its debtor affiliates, as debtors-and-debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors"), for entry of an order authorizing the retention and appointment of Stretto ("Stretto") as claims and noticing agent for the Debtors effective nunc pro tunc to the Petition Date, all as more fully set forth in the Application and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§ 157(a)–(b) and 1334(b); and consideration of the Application and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the relief sought in the Application having been provided; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having held a hearing to consider the relief requested in the Application, if any (the "Hearing"); and upon the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and it appearing that the relief requested in the Application is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT**

1. The Application is granted to the extent set forth herein.
2. Stretto is appointed as claims and noticing agent, and, as such: (a) is designated as the authorized repository for all proofs of claim filed in the Chapter 11 Cases; (b) is authorized and directed to process claims and to create and maintain the official claims register; and (c) shall provide the clerk with an updated claims register at agreed upon intervals.
3. The Debtors are authorized, but not directed, to employ Stretto as set forth in the Stretto Engagement Letter attached to the Application as Exhibit B, and to pay the reasonable fees and expenses of Stretto.
4. Except as otherwise ordered by the Court, all papers, dockets or other material filed in the Chapter 11 Cases shall be deemed public records open to examination by an entity at reasonable times without charge. Stretto may charge a fee for copying requested material, but the fee shall not exceed that amount charged by the Clerk.

5. Stretto shall, on a monthly basis, submit invoices for its services rendered to the Debtors, with a copy to the Office of the United States Trustee.
6. The fees and expenses of Stretto incurred in the performance of the services described in the Retention Agreement shall be treated as administrative expenses under section 503(b)(1)(A) of the Bankruptcy Code and shall be paid by the Debtor in the ordinary course of business without further order of Court.
7. The appointment and employment of Stretto as provided herein shall be effective retroactive to the Petition Date.
8. The Debtors are authorized to take all action necessary to effectuate the relief granted in this Order.
9. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Enter:

Dated:

Honorable Donald R. Cassling  
United States Bankruptcy Judge

**Prepared by:**

Harold D. Israel  
Jeffrey M. Goldberg  
GOLDSTEIN & MCCLINTOCK LLP  
111 W. Washington Street, Suite 1221  
Chicago, IL  
Telephone: (312) 337-7700  
Facsimile: (312) 277-2310