

## **FOR IMMEDIATE RELEASE**

### **Hip-Hop Style Urban Clothing Retailer “Against All Odds” Continues as a Restructured Entity**

*BDO Consulting Helps Debtor Buck Liquidation Trend among Retailers*

**October 21, 2009, New York, NY** – In a move that confirms troubled retailers can continue to operate and avoid full liquidations, the U.S. Bankruptcy Court for the District of New Jersey has confirmed a joint plan for Against All Odds USA, Inc. (“AAO”, “the Debtor”), a New Jersey-based retailer specializing in hip-hop style urban clothing, to avoid liquidation and continue as a going concern under a new, restructured entity backed by third-party investors, New Deal, LLC (“New Deal”). Honorable Donald H. Steckroth approved a transaction with New Deal on May 28, 2009 and confirmed the joint plan of the Debtor and Creditors Committee on September 29, 2009.

“This economy has created a climate where consumer spending is down and businesses can no longer rely on financing options to see them through the downturn. As a result, many retailers have recently had no option other than to liquidate,” says David Berliner, Partner at BDO Consulting, a division of BDO Seidman, LLP and financial advisor to the Debtor, Against All Odds. “We were pleased to provide restructuring advice that contributed to Against All Odds avoiding a similar fate. The resulting plan worked to the advantage of Against All Odds, the acquiring entity and the unsecured creditors committee. This was a “win-win” result for all parties.”

#### **Economic Environment Turns Successful Retailer into Debtor**

Against All Odds USA, Inc., was formed in 1995 as one of the first mall-based retailers of hip-hop style urban clothing. Since the opening of the first store in New Jersey, AAO had been a destination for young, fashion-conscious consumers. At the end of 2000, AAO had 10 stores with sales of over \$15 million, and by 2005, there were 40 stores with sales of over \$75 million.

AAO was consistently profitable through 2007. However, the economic slowdown in 2008, as well as tightening credit markets and rising foreclosures, negatively impacted the company. In addition, changes in fashion trends and expansion to the West Coast contributed to an unfavorable financial position at AAO, eventually leading to its bankruptcy filing on January 5, 2009. At the time of its filing, AAO operated 64 stores with sales in excess of \$110 million.

#### **BDO Consulting Applies Retail Restructuring Experience to AAO Case**

AAO retained BDO Consulting (“BDO”) as financial advisor on February 26, 2009 to leverage BDO’s significant background in retail business restructuring. BDO advised AAO on its business strategy, inventory management and strategy for exiting bankruptcy. BDO also assisted AAO in the preparation of cash flow forecasts, bankruptcy schedules, the statement of financial position, liquidation analyses, monthly operating reports, financial projections and the evaluation of stores to be closed. In addition, BDO acted as a liaison with landlords regarding rent concessions being negotiated as a result of the bankruptcy.

“In conjunction with AAO’s counsel, Ballou Stoll Bader & Nadler, we were able to negotiate a restructuring plan around a sale transaction with New Deal and secure a guaranteed 14 percent recovery for general unsecured creditors,” said Berliner. “While liquidation is often the ultimate result these days, particularly in the case of a retail bankruptcy, this case proved that experience and creativity can yield more palatable results for all parties.”

#### **About BDO Consulting’s Business Restructuring Services Practice**

BDO Consulting’s Business Restructuring Services practice provides financial advisory, business restructuring and transaction support services to corporations, lending institutions, hedge funds and law

firms. Our professionals assist a wide range of clients, including bondholders, unsecured creditors, debtors, stockholders and investors with matters involving bankruptcy/out-of-court workouts, litigation, lender and M&A due diligence transactional support, profit improvement and turnaround services. Additionally, BDO Consulting provides interim management, debtor-side turnaround, secured creditor and operational advisory services to stakeholders in a distressed business environment. Our highly experienced professionals from varied backgrounds have provided services to organizations across a wide range of industries.

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#### **About BDO Consulting**

BDO Consulting, a division of BDO Seidman, LLP, provides litigation, investigation, restructuring and risk advisory services to major corporations, law firms, insurance companies, providing rapid, strategic advice to assist our clients with dispute resolution, risk management, mergers and acquisitions, financial solvency and regulatory compliance issues, financial services entities and government organizations. Our highly experienced and well-credentialed professionals draw upon a range of industry knowledge and completed consulting engagements throughout the United States and internationally to provide clients with unparalleled service. BDO Consulting leverages the global industry and accounting knowledge of the BDO International network, providing rapid, strategic advice to assist our clients with dispute resolution, risk management, mergers and acquisitions, financial solvency and regulatory compliance issues.

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