

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

In re:

PUMPKIN PATCH LLC,¹

Debtor.

)
) Chapter 11

)
) Case No. 09-12200 (BLS)

**DECLARATION OF MAURICE PRENDERGAST IN SUPPORT OF CHAPTER 11
PETITIONS AND VARIOUS FIRST DAY APPLICATIONS AND MOTIONS**

Under 28 U.S.C. § 1746, Maurice Prendergast, declares as follows under the penalty of perjury:

1. I am the Chief Executive Officer of Pumpkin Patch LLC (the “Debtor” or “Pumpkin Patch”), a corporation organized under the laws of the state of Delaware. I am authorized to submit this Declaration in support of the Debtor’s chapter 11 petition and the first day pleadings described herein.²

2. I have served as Chief Executive Officer of the Debtor since 2004, and am familiar with the Debtor’s day-to-day operations, business affairs, and books and records. I have also reviewed the Debtor’s First Day Motions and Proposed Orders (each as defined below) and am familiar with the facts alleged and the relief requested therein. Except as otherwise indicated, I have personal knowledge of the matters set forth herein or have gained knowledge of such matters from the Debtor’s employees or retained advisers that report to me in the ordinary course

¹ The last four digits of Pumpkin Patch LLC’s federal tax identification number are 4007. The mailing address for Pumpkin Patch LLC is 951 Mariners Island Boulevard, Suite 650, San Mateo, CA 94404.

² Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the relevant First Day Motion (as defined below).

of my responsibilities as Chief Executive Officer and, if called as a witness, would testify thereto.³

A. The Bankruptcy Cases.

3. On June 29, 2009 (the "Petition Date"), the Debtor commenced a case in this Court by filing a voluntary petition under chapter 11 of the Bankruptcy Code.

B. The Debtor's Business.

4. The Debtor is a wholly-owned subsidiary of Patch Kids Ltd. ("Patch Kids") which is a wholly-owned subsidiary of Pumpkin Patch Limited ("Pumpkin Patch NZ"). Both Patch Kids and Pumpkin Patch NZ are corporations formed under the laws of New Zealand.

5. I have also served as Chief Executive Officer of Patch Kids and Pumpkin Patch NZ since 1996.

6. Pumpkin Patch NZ is Australia's leading fashion kidswear company and is increasingly recognized as an international brand representing innovative design, high quality and value for money. Established in New Zealand in 1990 it now has over 250 stores in four (4) countries along with wholesale operations in nine (9) countries

7. The Debtor was incorporated in 2004.

8. The Debtor successfully opened retail stores in Glendale, Tyler and Valley Fair California between 2004 and 2006, after which it opened an additional 32 stores by the end of 2008. In addition to key West Coast markets, clusters of stores were opened in Arizona, Colorado, Texas, and Washington, D.C. markets.

9. In 2006, the Debtor opened a U.S. operations office in San Francisco, California.

³ Certain of the disclosures herein relate to matters within the knowledge of other employees of the Debtors and are based on information provided by them.

10. In May 2007, the Pumpkin Patch introduced online shopping in the U.S. to enable customers to shop at Pumpkin Patch for those customers not near a retail store.

11. Pumpkin Patch's collections are designed by a dedicated in-house design team. They are committed to creating garments that are modern, stylish, fun and have a distinctive Pumpkin Patch signature, combined with a strong customer focus. Every season new and exciting collections are produced which are introduced throughout the season – keeping kids wardrobes fresh and fun all year around.

12. As of the Petition Date, the Pumpkin Patch operates thirty-five (35) stores in eight (8) U.S. states and Washington, D.C. On average the stores have been opened for approximately twenty-four (24) months. The Debtor focused on establishing locations in “A” grade malls anchored by Nordstrom or similar caliber department stores.

13. Pumpkin Patch's stores are staffed with highly-trained sales professionals. As of the Petition Date, Pumpkin Patch employs approximately 440 employees.

14. The U.S. retail environment became increasingly tough and presented a difficult market for new entities, such as the Pumpkin Patch, to establish its brand presence in the U.S. For the fiscal year ending July 31, 2008, Pumpkin Patch's retail sales were \$20.9 million, which were up 63.2% from the previous year. The sales from January 2008 through February 2009 totaled over \$22.4 million. However, the Pumpkin Patch incurred EBITDA losses of approximately \$7.0 million. The losses were significantly impacted by the poor retail environment and increased quota cost in 2008.

15. The current tough retail environment is expected to continue through 2009 and possibly longer. This environment is delaying the store sales growth that would be normally

expected from a maturing network of stores, and therefore the Debtor projects losses for the foreseeable future.

16. For as long as the current weak market conditions exist, the Debtor intends to focus on bedding down existing stores, increasing brand awareness, building a customer database, and ensuring the supply chain is operating efficiently to reduce costs and improve the management of inventory.

17. The Debtor has already planned for a more cautious expansion in 2009, with only one (1) new opening planned for 2009.

C. The Debtor's Capital and Debt Structure.

18. As noted above, the Company is privately owned by Patch Kids. As of the Petition Date, Patch Kids owns 100% of the equity in the Debtor.

19. The Debtor has no outstanding prepetition debt. Patch Kids and Pumpkin Patch NZ have provided 100% of the Debtor's cash needs to fund the Debtor's operations and expansions in the U.S.

D. Events Leading to the Chapter 11 Filings.

20. As stated above, for the fiscal year ending July 31, 2008, the Debtor incurred total EBIT losses of approximately \$6.7 million.

21. The Debtor's losses are attributable to a number of factors. First, there is an exorbitant cost with launching a relatively new brand in the U.S. The Debtor competes with more established companies, such as Baby Gap, Old Navy, Gymboree and The Children's Place, which have greater brand recognition in the U.S.

22. Second, as new tenants, the Debtor has invested more than \$20,000,000 in opening their newest stores in the past two (2) years. These costs include infrastructure

improvements, new build-outs, merchandising fixtures and improvements to store physical environments. In addition, the Debtor has burdensome leases, which cost the Debtor approximately \$10,000,000.00 annually to occupy their stores.

23. Finally, the Debtor's financial difficulties have been exacerbated by the recent national economic downturn, which has seriously limited consumers' ability to purchase goods, lenders' ability to extend credit, and retail businesses' ability to make a profit.

24. In response to these competitive pressures and financial constraints, since the summer of 2008, the Debtor has slowed its growth and sought to shore up its customer base for the difficult road ahead.

E. Objectives of Chapter 11 Cases.

25. The Debtor is currently struggling to make timely payments to its landlords. The Debtor signed many of its leases during the real estate boom and now many of their leases are above-market leases. Without the necessary flexibility to continue to operate outside of bankruptcy, the Debtor determined that it was appropriate and in the interest of its creditors and other interested parties to seek the protections of chapter 11.

26. The Debtor hopes that it will be able to continue to do business as a going concern.

27. The Debtor intends to act quickly and efficiently in determining which of their various chapter 11 options to pursue, and by doing so, to preserve the value of their assets and maximize the available recovery to creditors. While navigating the chapter 11 process, the Debtor must maintain employee, vendor, customer, and other relationships to ensure that they maximize the value of the estates.

28. In this case, the Debtor plans to seek authorization to reject approximately nineteen (19) leases that they have determined are underperforming, unprofitable, or otherwise provide no benefit to its estate, and immediately cease operations in those locations. Additionally, the Debtor will seek to renegotiate its remaining leases in order to improve its profit margins in those store.

29. These changes will allow the U.S. business to continue, rent to be paid, and employment to continue, with continuing but sustainable losses, until the retail sale and margin environment returns to normal conditions.

F. First Day Motions and Orders

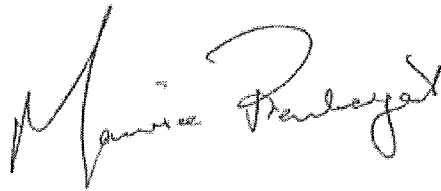
30. To further their objectives, the Debtor expects to file a number of first day applications and motions (the “First Day Motions”) and proposed orders (the “Proposed Orders”), as listed on the attached Exhibit A, and respectfully request that the Court consider entering the Proposed Orders granting such First Day Motions. I have reviewed each of the First Day Motions and Proposed Orders (including the exhibits thereto) and the facts set forth therein are true and correct to the best of my knowledge, information, and belief. Moreover, I believe that the relief sought in each of the First Day Motions and Proposed Orders (a) is vital to enable the Debtor to make the transition to, and operate in, chapter 11 with a minimum interruption or disruption to its business or loss of productivity or value, and (b) constitutes a critical element in achieving the Debtor’s successful reorganization.

G. Conclusion

31. I hereby declare under the penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief, and respectfully request that all of the relief requested in the First Day Motions be granted, together with such other and further relief as is just.

Dated: June 29, 2009

PUMPKIN PATCH LLC
Debtor and Debtor in Possession

A handwritten signature in cursive script that reads "Maurice Prendergast". The signature is written in black ink and is positioned above a horizontal line.

Maurice Prendergast
Chief Executive Officer