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Counsel to Wilmington Trust FSB, as Indenture Trustee

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

| | | |
|---|---|-------------------------|
| ----- | X | |
| In re | : | Chapter 11 |
| | : | |
| FINLAY ENTERPRISES, INC., <i>et al.</i> , | : | Case No. 09-14873 (JMP) |
| | : | |
| Debtors. | : | (Jointly Administered) |
| ----- | X | |

**WILMINGTON TRUST FSB'S RESERVATION OF RIGHTS
WITH RESPECT TO DEBTORS' MOTION FOR APPROVAL OF SALE
OF ALL OR SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS**

Wilmington Trust FSB, as successor indenture trustee ("Wilmington Trust"), files its Reservation of Rights with Respect to the Debtors' Amended Motion Pursuant to Sections 105(a), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 6004 and 6006, Seeking (A) Entry of an Order (i) Approving Procedures in Connection with the Sale of All or Substantially All of the Debtors' Assets, (ii) Authorizing Entry into Stalking Horse Agreement in Connection Therewith, (iii) Approving the Payment of Stalking Horse Protections, and (iv) Setting of Related Auction and Hearing Dates and (B) Approving the Sale (the "Sale Motion"), and in support thereof, states as follows:

BACKGROUND

1. Wilmington Trust is the successor indenture trustee under that certain Indenture dated as of November 26, 2008 between Finlay Fine Jewelry Corporation as issuer and HSBC Bank USA, National Association ("HSBC") as Indenture Trustee, as amended, supplemented or

modified, for the holders of 11.375%/12.125% Senior Secured Second Lien Notes Due June 1, 2010 (the “Second Lien Notes”).

2. Wilmington Trust, as indenture trustee, does not object to the Sale Motion; however, it does reserve its rights, without limitation, to participate in the auction process, appear at the hearing to approve the sale, respond to objections, comment on the proposed order approving the sale, and otherwise protect the rights and interests of the holders of the Second Lien Notes.

Dated: New York, New York
September 14, 2009

Respectfully submitted,

SONNENSCHN NATH & ROSENTHAL LLP

By: /s/ D. Farrington Yates

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*Counsel to Wilmington Trust FSB, as Indenture
Trustee*

CERTIFICATE OF SERVICE

PLEASE TAKE NOTICE that the undersigned hereby certifies that on the 14th of September, 2009, he caused a true and correct copy of **WILMINGTON TRUST FSB'S RESERVATION OF RIGHTS WITH RESPECT TO DEBTORS' MOTION FOR APPROVAL OF SALE OF ALL OR SUBSTANTIALLY ALL OF THE DEBTORS ASSETS** to be served upon the following service list by electronic mail, facsimile or First-Class U.S. Mail, postage prepaid.

Dated: September 14, 2009
New York, New York

s/ D. Farrington Yates
D. Farrington Yates

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