

MERVYNS COMMENTS ON COURT APPROVAL OF GOING OUT OF BUSINESS SALES

Creditors' Committee Withdraws Motion to Convert to Chapter 7

HAYWARD, CA, October 30, 2008 -- Mervyns, a regional retailer in California and the Southwest, today announced that the Creditors' Committee withdrew its motion to liquidate Mervyns' assets under Chapter 7 of the U.S. Bankruptcy Code and its objection to the company's proposed going out of business (GOB) sales, all as part of the settlement reached between Mervyns, the Creditors' Committee and the company's debtor-in-possession (DIP) financing provider.

The Bankruptcy Court has authorized Mervyns to hold GOB sales at all of the company's remaining 149 locations and to wind down the business as planned. Mervyns and its Board of Directors believe that implementing this process through Section 363 under Chapter 11 of the U.S. Bankruptcy Code is the best course of action to maximize value for all of the company's creditors, employees and other stakeholders.

Mervyns also today received Court approval to honor its accrued vacation policies to all employees, including those already terminated, upon full repayment of its DIP financing. The company expects to satisfy its obligations to its DIP financing provider by early December. If the performance of the company is in accordance with its wind down budget, Mervyns will have the resources to pay employees in full for all accrued vacation.

In addition, Mervyns received Court approval to retain Great American Group as its agent to assist it in conducting the GOB sales at all of its remaining stores. The GOB sales will commence on November 1, 2008.

The company stated, "We are pleased that today's decision will allow for the continued employment of many Mervyns employees through the holiday season. In addition, we now expect that if we meet our performance objectives we will be able to pay our associates their accrued vacation compensation as originally planned before the Court injunction last week."

About Mervyns

Mervyn's LLC, headquartered in the San Francisco Bay Area, is a family-friendly promotional neighborhood department store offering trend-right fashions and home décor for the entire family at affordable prices. Mervyns has a well-earned reputation for its extensive selection of national and private-label fashions and housewares. Community giving has been a cornerstone of the company's business since 1949, with a focus on improving the lives of children and families by giving back to its communities by way of volunteerism and through its award-winning ChildSpree® program. Mervyns currently operates 175 locations in seven states. For more information, go to www.mervyns.com.

