

December 8, 2014

VIA FACSIMILE AND OVERNIGHT COURIER

American Apparel, Inc.
747 Warehouse Street
Los Angeles, California 90021
Attn: Tobias S. Keller
Interim General Counsel and Corporate Secretary

Dear Mr. Keller:

Bigger Capital Fund, LP, Bachelier, LLC and the Bigger Family (collectively, the "Bigger Entities") are the direct beneficial owners of an aggregate of 2,042,253 shares of common stock, \$0.0001 par value per share (the "Common Stock"), of American Apparel, Inc. (NYSE: APP) ("American Apparel" or the "Company").

Accordingly, as the beneficial owner of shares of Common Stock, the Bigger Entities hereby demand, pursuant to Section 220 of the Delaware General Corporation Law (the "DGCL"), during the usual hours for business, to inspect certain books, records and other documents of the Company, and to make and/or receive copies or extracts therefrom.

Background

Based on information provided in the Company's public filings and other publicly available information, the Bigger Entities have concerns that management and the Board of Directors of the Company (the "Board") may have failed to act in the best interests of shareholders in connection with the surreptitious and abrupt removal of Dov Charney from his position as a CEO and a director of American Apparel on June 18, 2014 (the "Charney Ouster"). The Board and/or management appear to have orchestrated the Charney Ouster knowing their actions would cause a near-imminent default under important contractual obligations of the Company, and cause the Company to default on nearly \$10 million in loans as well as deeply depress the Company's share price due to the uncertainty related to the leadership and strategic direction of the Company. The Bigger Entities further believe that the Board and management of American Apparel failed to properly disclose material information in connection with the Charney Ouster that shareholders were entitled to know to make an informed decision casting their votes at the Company's Annual Meeting of Shareholders on June 18, 2014, hours before the Charney Ouster that very same day.

In addition, the Bigger Entities believe that since the Charney Ouster the Company has consistently and selectively omitted disclosure of material information in a potential violation of regulatory requirements. For example, the Bigger Entities believe that the Company failed to properly disclose the appointment of Tobias S. Keller as an Interim General Counsel in June 2014, a role that has traditionally been treated as subject to full disclosure under Regulation S-K. Also, immediately preceding the Charney Ouster, the Company retained a well-known crisis communications firm, Sitrick and Company, in an apparently undisclosed related party transaction. Director Mayer is closely affiliated with Sitrick and Company, having served as its managing director and head of the entertainment practice from 1997 until October 2006.

The Bigger Entities believe that as a result of the systemic failure to provide full disclosure of material information, there may exist claims for breach of fiduciary duties against certain executive officers and directors whose manipulation of information and selective disclosure do not appear to have been undertaken with the best interests of the Company's shareholders in mind. The Bigger Entities further question the role of Standard General L.P. and its affiliates in certain of these material decisions of the Company and whether such decisions were made in the best interests of all shareholders, including the minority shareholders, of American Apparel.

Demand for Inspection of Books and Records

Pursuant to DGCL Section 220, the Bigger Entities demand that they and their designated agents be given the opportunity to inspect and copy the following books, records and other documents covering the period from January 1, 2014 to the date hereof (unless otherwise noted), during the Company's usual business hours on December 15, 2014 and to make copies or extracts therefrom:

1. Any and all transcripts, notes, minutes and other records of meetings, written consents in lieu of meetings, and resolutions of the Board of Directors or any committee thereof, and all reports, analyses and documents provided to, or prepared by or on behalf of, the Company or any advisor or consultant to the Company or the Board of Directors ("Board Materials"), directly or indirectly relating to the Charney Ouster and the Board's deliberations and decision to seek the removal of Mr. Charney from all his position with the Company;
2. Any and all communications, including e-mail communications, with any third-parties concerning the Charney Ouster and the Board's deliberations and decision to seek the removal of Mr. Charney from all his positions with the Company ;
3. All Board Materials and any and all communications, including e-mail communications, with any third-parties, directly or indirectly relating to the Board's deliberations and decision to launch an investigation into allegations of improper conduct by Mr. Charney (the "Charney Investigation");
4. All Board Materials and any and all communications, including e-mail communications, with any third-parties, directly or indirectly relating to the status and any preliminary results of the Charney Investigation and the Board's decision not to provide public disclosure regarding such status and preliminary results;
5. All Board Materials and any and all communications, including e-mail communications, with any third-parties, directly or indirectly relating to the appointment of Tobias Keller as an Interim General Counsel and the Board's decision not to provide public disclosure of such appointment;
6. All Board Materials and any and all communications, including e-mail communications, with any third-parties, directly or indirectly relating to the retention of Sitrick and Company, the Board's decision not to provide public disclosure of such retention and the amounts paid to Sitrick and Company for their services as a crisis communications firm in the aftermath of the Charney Ouster;

7. All Board Materials and any and all communications, including e-mail communications, with any third-parties, directly or indirectly relating to the value of the Company, and/or offers or expressions of interest in the Company; and
8. All Board Materials and any and all communications, including e-mail communications, with any third-parties, directly or indirectly relating to Board deliberations and decisions regarding the requirement or propriety of providing disclosure with respect to potentially material information.

The Bigger Entities demands that modifications, additions or deletions to any and all information referred to in paragraphs (a) through (i) be immediately furnished as such modifications, additions or deletions become available to the Company or its agents or representatives.

The purpose of this demand is to allow the Bigger Entities to make an independent determination as to the existence and extent of any improper relationship, materially inadequate disclosure or reporting violation on the part of the Board or senior management of American Apparel.

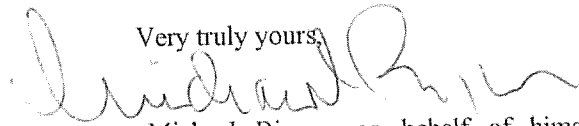
It is requested that the information identified above be made available to the designated parties by December 15, 2012.

Please advise as promptly as practicable where and when the items demanded above will be made available. If the Company has not responded within five business days of the date of this demand, the Bigger Entities will assume the Company does not intend to comply and will proceed accordingly.

To the extent required by applicable law, the Bigger Entities will bear the reasonable costs incurred by the Company, including those of its transfer agent(s) or registrar(s), in connection with the production of the information demanded.

The Bigger Entities hereby designates and authorizes Steve Wolosky, Esq. of Olshan Frome Wolosky LLP and Michael Bigger or any other persons designated by either of them or by the Bigger Entities, acting singly or in any combination, to conduct the inspection and copying herein requested. Pursuant to Section 220 of the DGCL, you are required to respond to this demand and make available the requested materials within five business days of the date hereof. Accordingly, please advise Mr. Wolosky, at (212) 451-2333, as promptly as practicable within the requisite timeframe, when the items requested above will be made available to the Bigger Entities. If the Company contends that this demand is incomplete or is otherwise deficient in any respect, please notify the Bigger Entities immediately in writing, with a copy to Mr. Wolosky, facsimile (212) 451-2222, setting forth the facts that the Company contends support its position and specifying any additional information believed to be required. In the absence of such prompt notice, the Bigger Entities will assume that the Company agrees that this demand complies in all respects with the requirements of the DGCL. The Bigger Entities reserves the right to withdraw or modify this demand at any time.

Very truly yours,

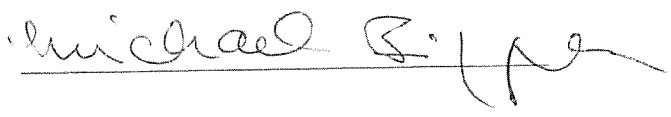
A handwritten signature in cursive script, appearing to read "Michael Bigger".

Michael Bigger, on behalf of himself,
Bigger Capital Fund, LP, Bachelier, LLC
and the Bigger Family

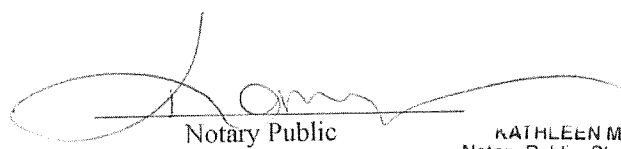
Exhibit A

State of New York)
County of New York Suffolk) ss:

I, Michael Bigger, being sworn, states under oath: I executed the foregoing letter, and the information and facts stated therein regarding Bigger Capital Fund, LP, Bachelier, LLC and the Bigger Family's status as a beneficial owner of American Apparel, Inc. and the purpose of this demand for inspection are true and correct. Such inspection is reasonably related to the interests of Bigger Capital Fund, LP, Bachelier, LLC and the Bigger Family as stockholders and is not desired for a purpose which is in the interest of a business or object other than the business of American Apparel, Inc.



Subscribed and sworn to before me
this 8th day of December, 2014.


Notary Public

KATHLEEN M. MCGOFF
Notary Public, State of New York
No. 01MC6165102
Qualified in Suffolk County
Commission Expires June 30, 2015

My commission expires: _____