

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MADAM)
)
JUSTICE CONWAY) MONDAY, THE 13th
)
) DAY OF JULY, 2009

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
COPPLEY APPAREL GROUP LIMITED**



APPROVAL AND VESTING ORDER

THIS MOTION made by Copley Apparel Group Limited (the "**Applicant**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale made as of June 5, 2009 (as amended and assigned, the "**Canadian APA**") between the Applicant and Emerisque Brands UK Limited and SKNL North America B.V., as amended and assigned to HMX Canada Acquisition Corp. (the "**Purchaser**") and vesting in the Purchaser all right, title and interest in and to the assets described in the Sale Agreement (the "**Canadian Acquired Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Richard Sexton sworn July 10, 2009 and the Second Report of BDO Dunwoody Limited in its capacity as monitor of the Applicant (the "**Monitor**") dated July 10, 2009 (the "**Second Report**") and on hearing the submissions of counsel for: (i) the Applicant, (ii) the Monitor, (iii) Wachovia Capital Finance Corporation (Central) and Wachovia Capital Finance Corporation (Canada), and (iv) the Purchaser, no one else appearing,

orders that all of the Encumbrances affecting or relating to the Canadian Acquired Assets are hereby expunged and discharged as against the Canadian Acquired Assets.

4. **THIS COURT ORDERS** that, for the purposes of determining the nature and priority of Claims but subject to the payment contemplated in paragraph 5 hereof, the net proceeds from the sale of the Canadian Acquired Assets shall stand in the place and stead of the Canadian Acquired Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Canadian Acquired Assets with the same priority as they had with respect to the Canadian Acquired Assets immediately prior to the sale, as if the Canadian Acquired Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS** that the Purchaser be and is hereby authorized and directed to pay the Adjusted Base Purchase Price (as defined in the Canadian APA) to Wachovia Capital Finance Corporation (Canada) ("**Wachovia Canada**") upon the closing of the Transaction, which payment shall constitute an irrevocable and permanent reduction in the amount of the Applicant's indebtedness to Wachovia Canada.

6. **THIS COURT ORDERS** that, ^{BAC} ~~forthwith upon~~ ^{immediately prior to} the closing of the Transaction, the Applicant be and is hereby authorized and directed to pay any and all cash or cash equivalents on hand (save and except for an amount to be estimated, reserved out and held by the Monitor for payment of liabilities which were incurred prior to closing but after the filing date) to Wachovia Canada or as it may otherwise direct in writing, which payment shall constitute an irrevocable and permanent reduction in the amount of the Applicant's indebtedness to Wachovia Canada.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

by the Applicant and agreed to by Wachovia Canada, to be

BAC

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Applicant is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Applicant's records pertaining to the Applicant's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicant.

9. **THIS COURT ORDERS** that the Applicant is authorized and directed to file articles of amendment or any other document that may be required in order to change the Applicant's name to its numbered corporation name and to cancel any business names used by the Applicant containing the word "Copley" without the requirement, if any, of obtaining directors' or shareholders' approval pursuant to any Federal or Provincial Legislation.

10. **THIS COURT ORDERS** that, notwithstanding:

- a. the pendency of these proceedings;
- b. any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act (Canada)* in respect of the Applicant and any bankruptcy order issued pursuant to any such applications; and
- c. any assignment in bankruptcy made in respect of the Applicant;

the vesting of the Canadian Acquired Assets in the Purchaser and the payment of the Adjusted Base Purchase Price pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act (Canada)* or any other

applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. **THIS COURT ORDERS AND DELCARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

SEALING

13. **THIS COURT ORDERS** that Appendices "D", "F", "G" and "H" to the First Report be and are hereby sealed and shall not form part of the public record until the filing of the Monitor's Certificate.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUL 13 2009

PER / PAR:



Schedule "A"

Court File No. CV-09-8221-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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COPPLEY APPAREL GROUP LIMITED**

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice Hoy of the Ontario Superior Court of Justice (the "**Court**") dated June 10, 2009, BDO Dunwoody Limited. was appointed as the monitor (the "**Monitor**") of Copley Apparel Group Limited. ("**Copley**").

B. Pursuant to an Order of the Court dated July 13, 2009, the Court approved the agreement of purchase and sale made as of June 5, 2009 (as amended and assigned, the "**Canadian APA**") between the Applicant and Emerisque Brands UK Limited and SKNL North America B.V., as amended and assigned to HMX Canada Acquisition Corp. (the "**Purchaser**") and provided for the vesting in the Purchaser, of Copley's right, title and interest in and to the Canadian Acquired Assets, which vesting is to be effective with respect to the Canadian Acquired Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Canadian Acquired Assets; (ii) that the conditions to Closing as set out in the Canadian APA have been satisfied or waived in accordance with the Canadian APA; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Canadian APA.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid the Purchase Price for the Canadian Acquired Assets payable on the Closing Date pursuant to the Canadian APA;
2. The conditions to Closing as set out in the Canadian APA have been satisfied or waived in accordance with the Canadian APA; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**BDO Dunwoody Limited, in its capacity as
Court-Appointed Monitor of Copley
Apparel Group Limited, and not in its
personal capacity**

Per: _____
Name:
Title:

Schedule "B"

Personal Property Security Act (Ontario)

- | | | |
|-----|----------------------|---|
| (1) | Reference File No.: | 650670174 |
| | Registration No.: | 20081222 1136 1616 4297 |
| | Registration Period: | 4 years |
| | Secured Party: | CIT Financial Ltd. |
| (2) | Reference File No.: | 642128976 |
| | Registration No.: | 20080118 1451 1530 1701 |
| | Registration Period: | 2 years |
| | Secured Party: | Chrysler Financial & DaimlerChrysler
Financial Services Canada Inc. |
| (3) | Reference File No.: | 637114626 |
| | Registration No.: | 20070710 1050 1529 0257 |
| | Registration Period: | 4 years |
| | Secured Party: | BMW Canada Inc. |
| (4) | Reference File No.: | 636732936 |
| | Registration No.: | 20070627 1044 1529 8391 |
| | Registration Period: | 4 years |
| | Secured Party: | BMW Canada Inc. |
| (5) | Reference File No.: | 621534807 |
| | Registration No.: | 20051222 1443 1616 7613 |
| | Registration Period: | 4 years |
| | Secured Party: | CIT Financial Ltd. |
| (6) | Reference File No.: | 886760928 |
| | Registration No.: | 20020828 1438 1590 3992
as amended by 20040218 1447 1590 8272
as amended by 20041210 1110 1590 1404
as amended by 20070306 1942 1901 7567
as amended by 20070307 1918 1901 7824 |
| | Registration Period: | 5 years (extended additional 5 years) |
| | Secured Party: | Wachovia Capital Finance Corporation
(Central) |

- (7) Reference File No.: 886760937
 Registration No.: 20020828 1439 1590 3993
 as amended by 20041210 1109 1590 1403
 as amended by 20070306 1945 1901 7570
 as amended by 20070307 1920 1901 7825
 Registration Period: 5 years (extended additional 5 years)
 Secured Party: Wachovia Capital Finance Corporation
 (Central)
- (8) Reference File No.: 886760946
 Registration No.: 20020828 1439 1590 3994
 as amended by 20040218 1448 1590 8273
 as amended by 20041210 1110 1590 1405
 as amended by 20070306 1948 1901 7574
 as amended by 20070307 1922 1901 7826
 Registration Period: 5 years (extended additional 5 years)
 Secured Party: Wachovia Capital Finance Corporation
 (Central)
- (9) Reference File No.: 847041354
 Registration No.: 19981217 1709 3037 2762
 as amended by 20010710 1056 3037 5122
 as amended by 20020903 1109 1590 4160
 as amended by 20020903 1110 1590 4162
 as amended by 20040218 1448 1590 8274
 as amended by 20041210 1110 1590 1406
 as amended by 20070306 1940 1901 7564
 Registration Period: 5 years (extended additional 6 years)
 Secured Party: Wachovia Capital Finance Corporation
 (Central)

Personal Property Security Act (British Columbia)

- (1) Base Registration No.: 587395A
 Control No.: B4837275
 as amended by B5826734
 as amended by B6387512
 as amended by B7884929
 as amended by B7887737
 Registration Period: 5 years (extended additional 5 years)
 Secured Party: Wachovia Capital Finance Corporation
 (Central)

Trademarks

Security interests in favour of Congress Financial Corporation

Record Owner [Beneficial Owner]	Country	Trademark	Status	Reg. No. (App. No.)	Reg. Date (App. No.)	Expiration
Coppley Apparel Group Limited						
Coppley Apparel Group Limited (Canada corp.); 8/30/2002 Lien to Congress Financial Corporation recorded 10/10/2002 at R/F 2595/0679	United States	KEITHMOOR	Registered	2850658	6/8/2004	6/8/2014
Coppley, Noyes and Randall Limited, The (Canada corp.) [Coppley Apparel Group Limited] 8/30/2002 Lien to Congress Financial Corporation by Coppley Apparel Group Limited recorded 10/10/2002 at R/F 2595/0679	United States	MATTEO MAAS	Registered	2207406	12/1/1998	12/1/2008
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	ANA MAAS DESIGN	Registered	TMA493994	5/6/1998	5/6/2013
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	AVALON	Registered	TMA442008	4/21/1995	4/21/2010
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	BISCAYNE	Registered	TMA303135	5/24/2000	5/24/2015
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	BISCAYNE CAMBRIDGE; design	Registered	TMA305677	8/9/2000	8/9/2015
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	CAMBRIDGE	Registered	TMA298634	12/29/1984 12/28/1999 (renewed)	12/28/2014
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	CAMBRIDGE	Registered	TMA352711	3/3/1989 3/3/2004 (renewed)	3/3/2019
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	CAMBRIDGE & design	Registered	TMA298635	12/28/1999	12/28/2014
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	CAMBRIDGE design	Registered	TMA352713	3/3/1989	3/3/2019
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	CAMBRIDGE TRADITIONALLY FINE CLOTHES & DESIGN	Registered	TMA305676	8/9/1985 8/9/2000 (renewed)	8/9/2015
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	CAMBRIDGE TRADITIONALLY FINE CLOTHES & DESIGN	Registered	TMA352712	3/3/1989	3/3/2019
Coppley Apparel Group Limited;	Canada	CONNERY BY	Registered	TMA424519	3/4/1994	3/4/2009

Record Owner [Beneficial Owner]	Country	Trademark	Status	Reg. No. (App. No.)	Reg. Date (App. No.)	Expiration
10/22/2002 lien to Congress Financial Corporation		CAMBRIDGE & design				renewal not filed, grace period applies
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	COPPLEY APPAREL GROUP	Registered	TMA389834	11/8/1991	11/8/2021
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	COPPLEY APPAREL GROUP & design	Registered	TMA398612	5/29/1992 5/29/2007 (renewed)	5/29/2022
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	COUNTRY SQUIRE	Registered	UCA041009	4/12/1952 4/12/1997 (renewed)	4/12/2012
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	COUNTRY SQUIRE	Registered	TMA302405	5/3/1985 5/3/2000 (renewed)	5/3/2015
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	COUNTRY SQUIRE design	Registered	TMA315601	6/27/1986 6/27/2001 (renewed)	6/27/2016
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	COUNTRY SQUIRE G.T.O. design	Registered	TMA304203	7/5/1985 6/28/2000 (renewed)	6/28/2015
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	CS COUNTRY SQUIRE design	Registered	TMA312155	3/14/1986 3/14/2001 (renewed)	3/14/2016
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	DREAMWEAVE	Registered	TMA447694	9/15/1995	9/15/2010
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	EBBE	Registered	TMA298152	12/14/1984 12/14/1999 (renewed)	12/14/2014
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	EBBE DESIGNS	Registered	TMA297999	12/7/1984 12/7/1999 (renewed)	12/7/2014
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	EN ROUTE	Registered	TMA301075	3/22/1985 3/22/2000 (renewed)	3/22/2015
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	EN ROUTE CAMBRIDGE design	Registered	TMA301995	4/19/1985 4/19/2000 (renewed)	4/19/2015
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	FOR COTTON'S SAKE	Registered	TMA432640	9/2/1994	9/2/2009
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	G.T.O.	Registered	TMA304424	7/5/2000	7/5/2015
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	K & LION; design	Registered	TMA304413	7/5/1985	7/5/2015
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	KEITHMOOR	Registered	TMA312154	3/14/2001	3/14/2016

Record Owner [Beneficial Owner]	Country	Trademark	Status	Reg. No. (App. No.)	Reg. Date (App. No.)	Expiration
Financial Corporation						
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	KEITHMOOR & K & LION design	Registered	TMA317592	8/22/1986 8/22/2001 (renewed)	8/22/2016
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	KEITHMOOR SLACKS	Registered	TMA304414	7/5/1985 7/5/2000 (renewed)	7/5/2015
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	LADY NASH design	Registered	TMA398399	5/22/1992 5/22/2007 (renewed)	5/22/2022
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	LINEA 1936 & design	Registered	TMA399586	6/26/1992 6/27/2007 (renewed)	6/27/2022
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	MAN-FANCIFUL-MOUNTIE & design	Registered	TMA401891	8/28/1992 8/28/2007 (renewed)	8/28/2022
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	MATTEO MAAS	Registered	TMA418845	10/29/1993 10/29/2008 (renewed)	10/29/2023
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	NASH PANT	Registered	TMA422240	1/21/1994	1/21/2009
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	ONE POUND SUIT BY COPPLEY	Registered	TMA531228	8/15/2000	8/15/2015
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	PARKTOWN	Registered	UCA011524	10/27/1938 10/27/1998 (renewed)	10/27/2013
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	PRO	Registered	UCA046689	4/2/1947 4/2/2007 (renewed)	4/2/2022
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	PRO SLACK	Registered	UCA046690	4/2/1947 4/2/2007 (renewed)	4/2/2022
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	QUALITY STYLE SERVICE & Design	Registered	TMA184621	7/28/1972 7/28/2002 (renewed)	7/28/2017
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	ROYAL CANADIAN	Registered	TMA427712	5/27/1994	5/27/2009
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	THE FACSIMILE SIGNATURE OF WARREN K. COOK	Registered	UCA038736	12/28/1950 12/28/1995 (renewed)	12/28/2010
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	THE GOLF CLASSIC & design	Registered	TMA399729	7/3/1992 7/3/2007 (renewed)	7/3/2022
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	TRAVELAIRE	Registered	TMA303850	6/21/1985 6/21/2000 (renewed)	6/21/2015

Record Owner [Beneficial Owner]	Country	Trademark	Status	Reg. No. (App. No.)	Reg. Date (App. No.)	Expiration
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	BRETLINGER	Registered	TMA417,780	10/8/1993	
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	HARRIS & HOBB'S and Design	Registered	TMA370,450	7/6/1990	
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	BUSINESS CLASS BY COUNTRY SQUIRE	Registered	TMA368,052	4/20/1990	
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	BUSINESS CLASS BY COUNTRY SQUIRE	Registered	TMA368,051	4/20/1990	
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	CAMBRIDGE CLOTHES	Registered	TMDA019,159	12/6/1913	

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

(PROCEEDING COMMENCED AT TORONTO)

APPROVAL AND VESTING ORDER

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Coppley Apparel Group Limited