

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

**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**

MOTION RECORD

(RETURNABLE AUGUST 10, 2009)

August 7, 2009

GOWLING LAFLEUR HENDERSON LLP

Barristers & Solicitors
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100 King Street West
Toronto, Ontario M5X 1G5

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Tel: 905-540-2472
Fax: 905-523-2948

Solicitors for the Applicant,
Copley Apparel Group Limited

SERVICE LIST

Additions to Base Service List in these Proceedings:

(a) Parties Registered as Secured Against Property of Copley Apparel Group Limited

AND TO: CIT FINANCIAL LTD.
5035 SOUTH SERVICE ROAD
BURLINGTON, ON
L7R 4C8

AND TO: BMW CANADA INC.
920 Champlain Court
Whitby, ON
L1N 6K9

AND TO: DAIMLER CHRYSLER FINANCIAL SERVICES CANADA INC.
2425 Matheson Blvd E., 3rd Floor
Mississauga, ON
L4W 5N7

AND TO: CONGRESS FINANCIAL CORPORATION (CANADA)
141 Adelaide Street West, Suite 1500
Toronto, ON
M5H 3L9

(b) Governmental Authorities

**AND TO: MINISTRY OF REVENUE
REVENUE COLLECTIONS BRANCH**
55 Athol Street
Oshawa, Ontario L1H 8H5
Attention: N Simms
Tel: 1-905-433-4845

AND TO: THE WORKPLACE SAFETY AND INSURANCE BOARD
Head Office
200 Front Street West
Toronto, Ontario M5V 3J1
Tel: (416) 344 -1007/1-800-387-0080
Fax: (416) 344-4684

WSIB Collections Branch
P.O. Box 2099 Stn. LCD1
120 King Street West
Hamilton, ON L8N 4C5

Tel: 1-800-268-0929
Fax: 905-521-4203

AND TO: ONTARIO LABOUR RELATIONS BOARD
505 University Avenue, 2nd Floor
Toronto, Ontario M5G 2P1
Tel: (416) 326-7500
Fax: (416) 326-7531

**AND TO: CANADA REVENUE AGENCY – TORONTO CENTRE TAX
SERVICES OFFICE**
1 Front Street W.
Toronto, Ontario M5J 2X6
Tel: 1-800-959-5525
Fax: (416) 360-8908/ (416) 954-5169

AND TO: CANADA REVENUE AGENCY
Department of Justice
The Exchange Tower
130 King Street West
Toronto Regional Branch, First Canadian Place
Toronto, Ontario M5X 1K6

Diane Winters
Tel: 416.973.9241
Email: dwinters@justice.gc.ca

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TAB 1

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

**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**

NOTICE OF MOTION

THE APPLICANT will make a motion to a Judge on Monday, August 10, 2009 at 10:00 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. The applicant, Copley Apparel Group Limited ("**Copley**"), brings a motion for:
 - (a) an order substantially in the form attached hereto as **Schedule "A"**:
 - (i) 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 Embu Investments Spółka Z Ograniczoną Odpowiedzialnością Branch In Luxembourg (the "**IP Purchaser**") as further amended by agreement dated August 4, 2009 (the "**Amended Canadian APA**");

- (ii) vesting:
 - (A) in the Purchaser all right, title and interest in and to the Canadian Acquired Assets (as defined in the Amended Canadian APA), other than the Canadian Acquired IP Assets (as defined in the amended and restated assignment agreement among the Purchasers dated August 4, 2009) assets; and
 - (B) in the IP Purchaser all right, title and interest in and to the Canadian Acquired IP Assets;
- (iii) authorizing and directing the Purchaser and the IP Purchaser (jointly, the "**Purchasers**") to pay the Adjusted Base Purchase Price (as defined in the Amended Canadian APA) to Wachovia Capital Finance Corporation (Canada) ("**Wachovia Canada**"); and
- (b) such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

2. by Order dated June 10, 2009 (the "**Initial CCAA Order**"), this Honourable Court declared that the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") applies to Copley;

3. the Initial CCAA Order authorized Copley, with the assistance of and in consultation with the Monitor, to carry out and conduct the Canadian Bid Procedure;
4. by Order dated June 23, 2009, this Honourable Court approved the Amended Canadian Bid Procedure and authorized Copley, with the assistance of and in consultation with the Monitor, to carry out and conduct the Amended Canadian Bid Procedure;
5. Copley, with the assistance of and in consultation with the Monitor, carried out and conducted the Amended Canadian Bid Procedure;
6. there was only one other bid (the "**Other Bid**") for the Canadian Acquired Assets (in addition to the Canadian APA) received by the bid deadline of July 7th at 5:00 p.m.;
7. the Other Bid did not meet the standard to be considered a "Qualified Bid" and, as a result, there was no auction on July 9th;
8. there were 5 bids (the "**Royal Shirt Bids**") for the Royal Shirt business carried on at 40 Adesso Drive (the "**Royal Shirt Business**");
9. by Order dated July 13, 2009, this Honourable Court approved the Canadian APA;
10. the Purchaser and Copley required an extension of the closing date for the Canadian APA in order to amend certain terms thereof and to close the Transaction;
11. the Purchaser originally had agreed to acquire the Copley assets, excluding the Royal Shirt Business, for 72 cents on the dollar of the secured debt owed to Wachovia Canada;

12. due to the Purchaser's difficulties in obtaining financing, the parties have now agreed to complete the transaction with:
 - (a) the Purchasers paying 100% of the secured debt owed to Wachovia Canada;
 - (b) the Purchasers assuming certain liabilities to facilitate such payout; and
 - (c) the Purchaser acquiring the shirt inventory of the Royal Shirt Business;
13. the foregoing has resulted in the Purchasers and Copley entering into a Second Amending Agreement dated August 7, 2009;
14. the Amended Canadian APA is fair and reasonable in the circumstances, and is in the best interests of Copley and its stakeholders;
15. Copley is requesting an Order, among other things, approving the Amended Canadian APA and vesting:
 - (a) the Canadian Acquired Assets, other than the Canadian Acquired IP Assets, in the Purchaser; and
 - (b) the Canadian Acquired IP Assets in the IP Purchaser;
16. the Initial CCAA Order, the Order dated June 23, 2009, the Order dated July 8, 2009, the Orders dated July 13, 2009, the Order dated July 22, 2009 and the Order dated July 27, 2009;
17. the provisions of the CCAA;
18. Rules 2.03, 3.02 and 37 of the Rules of Civil Procedure; and

19. such further and other grounds as counsel may advise and this Honourable Court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the affidavit of Richard Sexton sworn August 7, 2009;
2. the Fifth Report of the Monitor dated August 7, 2009; and
3. such further and other material as counsel may advise and this Honourable Court may permit.

August 7, 2009

GOWLING LAFLEUR HENDERSON LLP
Barristers & Solicitors
1 First Canadian Place, Suite 1600
100 King Street West
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Robert C. Dunford (LSUC #54819D)
Tel: 905-540-2472
Fax: 905-523-2948

Solicitors for the Applicant,
Copley Apparel Group Limited

Schedule "A"

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

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

THE HONOURABLE •)	MONDAY, THE 10TH
)	
JUSTICE •)	DAY OF AUGUST, 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**

**AMENDED AND RESTATED
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 to date and as may be further amended or assigned in accordance herewith, the "**Canadian APA**") initially between the Applicant and Emerisque Brands UK Limited and SKNL North America B.V. (the "**Original Purchasers**") and vesting in the assignees of the Original Purchasers, HMX Canada Acquisition Corp. (the "**Purchaser**") and Embu Investments Spółka Z Ograniczoną Odpowiedzialnością Branch In Luxembourg (the "**IP Purchaser**"), all right, title and interest in and to the assets described in the Canadian APA (the "**Canadian Acquired Assets**"), was heard Monday, July 13, 2009 and this day at 330 University Avenue, Toronto, Ontario.

ON READING (a) the affidavit of Richard Sexton sworn July 10, 2009; (b) the affidavit of Richard Sexton sworn August 7, 2009; (c) 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 (d) the Fifth Report of the Monitor dated August 7, 2009; 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 Original Purchasers, the Purchaser and the IP Purchaser (collectively, the "**Purchasers**"), no one else appearing,

SERVICE

1. **THIS COURT ORDERS AND DECLARES** that all parties requiring service of the Notice of Motion and the Motion Record in respect of this motion have been duly served, and that further service of such materials upon all interested parties be and is hereby dispensed with and the service of such materials be and is hereby validated in all respects.

APPROVAL AND VESTING

2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined shall have the meanings given to them in the Canadian APA.
3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved. The execution of the Canadian APA by the Applicant is hereby authorized and approved, and the Applicant is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of (a) the Canadian Acquired Assets, other than the Canadian Acquired IP Assets (as defined in the amended and restated assignment agreement among the Purchasers dated August 4, 2009), to the Purchaser, and (b) the Canadian Acquired IP Assets to the IP Purchaser, with any such non-material amendments to the terms of the Transaction and the Canadian APA

Agreement as the parties thereto may agree, subject to obtaining Monitor consent prior to making any such amendments.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchasers substantially in the form attached as **Schedule "A"** hereto (the "**Monitor's Certificate**"), all of the Applicant's right, title and interest in and to:

(a) the Canadian Acquired Assets, other than the Canadian Acquired IP Assets, shall vest absolutely in the Purchaser, and

(b) the Canadian Acquired IP Assets shall vest absolutely in the IP Purchaser,

free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, or statutory or other liabilities whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Madam Justice Hoy dated June 10, 2009 (the "**Initial Order**"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario); and (iii) those Claims listed on **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court 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.

5. **THIS COURT ORDERS** that, for the purposes of determining the nature and priority of Claims but subject to the payment contemplated in paragraph 6 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.

6. **THIS COURT ORDERS** that the Purchasers be and are hereby authorized and directed to pay the Adjusted Base Purchase Price 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.

7. **THIS COURT ORDERS** that, 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 (for greater certainty and subject to paragraph 8 of this Order, save and except for the funds in the amount of the Administration Charge and the Directors' Charge (as those terms are defined in the Initial Order) (the "**CCAA Priority Charge Advance**") being held by the Monitor under the terms of the Escrow Agreement dated June 15, 2009 among the Monitor and Wachovia Capital Finance Corporation (Central) and Wachovia Canada (the "**CCAA Priority Charge Escrow Agreement**")) 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.

8. **THIS COURT ORDERS** that, in connection with the closing of the Transaction and notwithstanding the CCAA Priority Charge Escrow Agreement or the Forbearance Agreement, the Monitor be and is hereby authorized and directed to release from the CCAA Priority Charge Advance the following amounts on the following basis:

- (a) the amount equal to:
 - (i) \$2,300,000; less
 - (ii) the sum of the amounts set out in clauses (i) to (vii) under the heading "Eligible Amounts" on the DIP Balance Certificate;

to Wachovia Canada or as it may otherwise direct in writing, which payment shall constitute an irrevocable permanent reduction in the amount of Applicant's indebtedness to Wachovia Canada (with effect, for the purposes of the Canadian APA and the calculation of the Pre-Closing DIP Balance, as of the time immediately following the close of business on the date prior to the Closing Date);

- (b) from the balance remaining after payment of the amount in (a) above, to the Applicant or, if otherwise agreed between the Applicant and the Purchaser in the case of amounts referred to clause (ii) below, to the Purchaser, as and when needed to pay, and to be used solely to pay, the following amounts:

- (i) amounts secured by the Administration Charge and amounts payable to the DIP Lender's Canadian counsel, up to a maximum amount equal to the sum of amounts set out in clauses (i) and (ii) under the heading "Eligible Amounts" on the DIP Balance Certificate; and
- (ii) amounts secured by the Directors' Charge and other amounts that are Eligible Amounts (excluding amounts that are secured by the Administration Charge and amounts payable to the DIP Lender's Canadian counsel), up to a maximum amount equal to the sum of

amounts set out in clauses (iii) to (vii) under the heading "Eligible Amounts" on the DIP Balance Certificate; and

- (c) from the balance remaining after payment of the amounts in (a) and (b) above, being the Eligible Amount Overpayment, to the Purchaser on account of the Applicant's obligation pursuant to paragraph 9 below as soon as the calculation of the Eligible Amount Overpayment can be reasonably determined but not later than the conclusion of these proceedings;

and such amounts shall be released and paid as set forth above, free and clear of, and notwithstanding the respective priorities of, the Administration Charge, the DIP Lender's Charge, the Directors' Charge and the Overpayment Charge (as defined below).

- 9. **THIS COURT ORDERS** that, subject to paragraph 8 of this Order, the Applicant is authorized and directed to pay to the Purchaser the Eligible Amount Overpayment in accordance with the Canadian APA, and the Purchaser shall be entitled to the benefit of and is hereby granted a charge (the "**Overpayment Charge**") on the Property with effect as of the closing (including, without limitation, the remaining funds comprising the CCAA Priority Charge Advance) as security for the Applicant's obligation to pay the Eligible Amount Overpayment. The Overpayment Charge shall have priority over all other Encumbrances in favour of any other Person save and except for the Administration Charge, the DIP Lender's Charge and the Directors' Charge.
- 10. **THIS COURT ORDERS** that the Persons holding retainers in accordance with paragraph 28 of the Initial Order are authorized and directed to apply such retainers on account of their fees and disbursements in respect of the period prior to Closing and, without delay after Closing, pay any remaining retainer amount to the Purchaser.

11. **THIS COURT ORDERS** that the Applicant, with the consent of the Monitor, is authorized to pay amounts owing to landlords on account of rent arrears and other costs in connection with the assignment to the Purchaser of the Acquired Leased Real Property.
12. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.
13. **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 Purchasers all human resources and payroll information in the Applicant's records pertaining to the Applicant's past and current employees. The Purchasers 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.
14. **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.
15. **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 IP Purchaser, as applicable, the creation of the Overpayment Charge, the payments contemplated in paragraph 8 of this Order, and the payment of the Adjusted Base Purchase Price and the Eligible Amount Overpayment 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.

16. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).
17. **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

18. **THIS COURT ORDERS** that Appendices "D", "F", "G" and "H" to the Second Report be and are hereby sealed and shall not form part of the public record until the filing of the Monitor's Certificate.
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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*,
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****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 August 1, 2009, the Court approved the agreement of purchase and sale made as of June 5, 2009 (as amended and assigned the "**Canadian APA**") initially between the Applicant and Emerisque Brands UK Limited and SKNL North America B.V. (the "**Original Purchasers**") and providing for the vesting in HMX Canada Acquisition Corp. (the "**Purchaser**") and Embu Investments Spółka Z Ograniczoną Odpowiedzialnością Branch In Luxembourg (the "**IP Purchaser**") all 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 Purchasers of a certificate confirming (i) the payment by the Purchasers 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 Purchasers have 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 Coppley 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	TMA417,78 0	10/8/1993	
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	HARRIS & HOBB'S and Design	Registered	TMA370,45 0	7/6/1990	
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	BUSINESS CLASS BY COUNTRY SQUIRE	Registered	TMA368,05 2	4/20/1990	
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	BUSINESS CLASS BY COUNTRY SQUIRE	Registered	TMA368,05 1	4/20/1990	
Coppley Apparel Group Limited; 10/22/2002 lien to Congress Financial Corporation	Canada	CAMBRIDGE CLOTHES	Registered	TMDA019,1 59	12/6/1913	

**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**

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

(PROCEEDING COMMENCED AT TORONTO)

NOTICE OF MOTION
(returnable August 7, 2009)

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Solicitors for the Applicant,
Copley Apparel Group Limited

TAB 2

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

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

**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**

**AFFIDAVIT OF RICHARD SEXTON
(sworn August 7, 2009)**

**I, RICHARD SEXTON, of the City of Burlington in the Province of Ontario
MAKE OATH AND SAY:**

1. I am the Chief Financial Officer for Copley Apparel Group Limited ("**Copley**") and, as a result, I have personal knowledge of the matters herein deposed to save and except for where I refer to matters on the basis of information and belief in which case I identify the source of that information and verily believe it to be true.
2. I have previously sworn affidavits on June 10th (the "**June 10th Affidavit**"), June 23rd, July 7th, July 10th, July 22nd and July 30th (collectively, the "**Prior Affidavits**"). Defined terms herein shall have the same meaning as defined in the June 10th Affidavit, unless defined otherwise herein. Attached hereto and marked as **Exhibit "A"** are true copies of the Prior Affidavits, without exhibits. Attached hereto and marked as **Exhibit "B"** are true copies of the Initial CCAA Order, the Order dated June 23, 2009, the Order dated July 8, 2009, the Orders dated July 13, 2009, the Order dated July 22, 2009 and the Order dated July 27, 2009.

3. I swear this affidavit in support of a motion to:
 - a. approve the Amended Canadian APA (hereinafter defined) and vest:
 - i. the Canadian Acquired Assets (as defined in the Amended Canadian APA), other than the Canadian Acquired IP Assets (as defined in the amended and restated assignment agreement between the Purchasers dated August 4, 2009) in HMX Canada Acquisition Corp. (the "**Purchaser**"); and
 - ii. the Canadian Acquired IP Assets in Embu Investments Spółka Z Ograniczoną Odpowiedzialnością Branch In Luxembourg (the "**IP Purchaser**"); and
 - b. authorize and direct the Purchaser and the IP Purchaser (jointly, the "**Purchasers**") to pay the Adjusted Base Purchase Price (as defined in the Amended Canadian APA) to Wachovia Canada.

Attached hereto and marked as **Exhibit "C"** is a true copy of an agreement of purchase and sale made as of June 5, 2009 between the Applicant and Emerisque Brands UK Limited and SKNL North America B.V., as amended and assigned to the Purchasers, and as further amended by Second Amending Agreement dated August 7, 2009 (collectively, the "**Amended Canadian APA**").

4. I repeat and rely on the statements in the Prior Affidavits in support of the within motion.
5. Copley supports the recommendations stated in the Fifth Report of the Monitor dated August 7, 2009 (the "**Fifth Report**").

