

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

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In re: :
 : Chapter 15
 THE JOHN FORSYTH SHIRT :
 COMPANY LTD., *et al.*¹ : Case No. 13-10526 (SCC)
 :
 Debtors in Foreign Proceeding. : Jointly Administered
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**ORDER (I) RECOGNIZING THE INITIAL ORDER OF THE
ONTARIO COURT DATED FEBRUARY 22, 2013 AND (II) EXTENDING
THE STAY GRANTED BY THE PROVISIONAL ORDER ON A PERMANENT BASIS**

This matter was brought upon by the motion (the “Motion”)² of BDO Canada Limited (the “Monitor”), as the court-appointed monitor and authorized foreign representative for The John Forsyth Shirt Company Ltd. (“Forsyth Canada”), Forsyth Holdings, Inc. (“Forsyth Holdings”) and Forsyth of Canada, Inc. (“Forsyth USA” and together with Forsyth Canada and Forsyth Holdings, the “Forsyth Entities”), pursuant to sections 1519 and 1521 of title 11 of the United States Code (the “Bankruptcy Code”), for (i) entry of an emergency order (the “Provisional Order”) which imposes a stay of all proceedings in the United States against the Monitor or the Forsyth Entities, and the Forsyth Entities’ business, property or assets located in the United States and any attempt to collect thereon or any attempt to terminate executory contracts and recognizes the Initial Order on an interim basis, and grants certain relief under section 364 of the Bankruptcy Code on an interim basis and (ii) concurrently with or after entry of a recognition order under section 1517 of the Bankruptcy Code, the entry of a final order (the

¹ The debtors in these cases and the last four digits of each debtor’s tax identification number are as follows: The John Forsyth Shirt Company Ltd. (RC0001), Forsyth Holdings, Inc. (7524), and Forsyth of Canada, Inc. (7526).

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

“Final Order”) recognizing the Initial Order, and extending the stay granted in the Provisional Order on a permanent basis.

This Court entered the Provisional Order on February 27, 2013 and scheduled a hearing for March 18, 2013 at 2:00 p.m. to consider the Monitor’s request for the relief set forth in the Final Order. The Court has considered and reviewed the Motion, the Verified Petition for Recognition of Foreign Proceedings and Related Relief filed by the Monitor under chapter 15 of the Bankruptcy Code (the “Petition”), and the Memorandum of Law filed in support of the Petition and the Motion. The Court also has considered any objections thereto and held a hearing in connection with the request for a Final Order. Based on the foregoing, this Court finds and concludes as follows:

(A) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P). Venue is proper in this District pursuant to 28 U.S.C. § 1410(1) and (3).

(B) Notice of the hearing on the Motion was sufficient under the circumstances and no further notice of, or hearing on, the Motion is necessary or required.

(C) The relief sought by the Monitor is authorized under sections 1520(a) and 1521(a)(7) of the Bankruptcy Code.

(D) The Monitor has demonstrated that the extension of the Provisional Order on a permanent basis is justified because:

(i) pursuant to the *Order Granting Recognition* [Docket No. 24], the Canadian Proceedings are foreign main proceedings within the meaning of section 1502(4) of the Bankruptcy Code; and

(ii) the Monitor has demonstrated that the Forsyth Entities will be irreparably harmed in the absence of the relief requested in that the Monitor has demonstrated that unless the Provisional Order is extended on a permanent basis, there is a material risk that one or more parties in interest will take action against the Monitor or the Forsyth Entities, or the Forsyth Entities' business, assets or property, thereby interfering with the jurisdictional mandate of this Court under chapter 15 of the Bankruptcy Code, interfering with and causing harm to the Monitor's efforts to administer the Forsyth Entities' estates pursuant to the Canadian Proceedings, and undermining the Monitors' effort to reorganize the Forsyth Entities' business. As a result, the Monitor and the Forsyth Entities will suffer immediate and irreparable harm for which they will have no adequate remedy at law.

(E) In addition, the Monitor has demonstrated that this Court's recognition of the Initial Order of the Ontario Court (i) is in the best interests of the Forsyth Entities, their estates, their creditors and other parties in interest, and (ii) is in the public interest because it will further the public policy of the United States as articulated in, *inter alia*, section 1501 of the Bankruptcy Code.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Motion is granted.
2. The Initial Order is hereby recognized and given full force and effect within the territorial jurisdiction of the United States. The Forsyth Entities shall be permitted to utilize the DIP Facility in accordance with paragraphs 32-37 of the Initial Order, including, without limitation, to incur secured indebtedness, to grant the DIP Charge and to execute, deliver and perform under the DIP Credit Agreement and Definitive DIP Documents

3. Without limitation of the foregoing, the relief granted in paragraphs 2-5 of the Provisional Order are hereby authorized on a final basis.

4. The stay imposed by the Provisional Order is hereby made permanent subject to any further order of the court on any motion by a non-debtor party.

5. No litigation, proceeding, enforcement process or collection action in any court or tribunal shall be commenced or continued against or in respect of the officers and directors of any of the Forsyth Entities, except with the written consent of the Monitor, or with leave of this Court or the Ontario Court.

6. Nothing herein shall enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding.

7. Notice of the entry of this Order shall be served in accordance with Rule 2002 of the Federal Rules of Bankruptcy Procedure.

8. This Court shall retain jurisdiction with respect to the enforcement of this Order.

Dated: March 18, 2013
New York, New York

/s/ Shelley C. Chapman
HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE