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BDO Canada Limited
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February 4, 2014

To: The Creditors of The John Forsyth Shirt Company Ltd., Forsyth Holdings, Inc. and Forsyth of Canada Inc. - Material Adverse Change

On February 22, 2013, The John Forsyth Shirt Company Ltd., Forsyth Holdings, Inc. and Forsyth of Canada Inc. ("Forsyth") filed for protection under the Companies' Creditors Arrangement Act ("CCAA") and obtained an initial order from the Ontario Superior Court of Justice (the "Court"). BDO Canada Limited was appointed as the Monitor ("Monitor") of the estate.

As you are aware the intent of the CCAA filing was to assist Forsyth in reorganizing its affairs which included negotiating a settlement of pre-filing debt with its existing unsecured creditors as well as finding a replacement senior secured lender. Subsequent to the CCAA filing Forsyth prepared a plan of arrangement which was approved by both the Creditors and the Court (the "Plan"). The Plan provided for a distribution to be made to the Creditors on January 15, 2014 (the "Distribution"). In addition, subsequent to the Plan approval Forsyth was successful in replacing its senior secured lender.

On January 14, 2014 we advised that the Distribution had been delayed as a result of insufficient funds available to make such payment. At that time the Company commenced searching for alternatives in order to fund the payment. Unfortunately the Company was unsuccessful in its efforts and there is no realistic possibility of a Distribution being made in the foreseeable future.

It is the Monitor's intention to file a report with the Court to advise of this material adverse change. A copy of which will be mailed to you once available.

Should you have any questions or concerns please feel free to contact Nathan Wong at 416-865-0210.

Yours very truly,
BDO CANADA LIMITED
In its capacity as Court Approved CCAA Monitor of
The John Forsyth Shirt Company Ltd.
Forsyth Holdings, Inc.
Forsyth of Canada, Inc.
Per:

Blair Davidson, CPA, CA, CIRP, CBV, CMC
President

/bc