

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 GARY CERRATO

I, **GARY CERRATO**, of the City of Richmond Hill, in the Province of Ontario,  
**MAKE OATH AND SAY** that:

1. I am a Vice- President of BDO Dunwoody Limited, and as such have personal knowledge of the matters referred to herein.
2. On June 10, 2009 pursuant to an application made by Copley Apparel Group Limited ("Copley" or "the Company"), the Court made an Order (the "Initial Order") declaring that Copley is a company to which the *Companies' Creditors Arrangement Act* ("CCAA") applies. Pursuant to the Initial Order BDO Dunwoody Limited was appointed Monitor under the CCAA proceedings of Copley.
3. Pursuant to the Initial Order, the Monitor has provided services and incurred disbursements which are more particularly described in the detailed accounts attached hereto and marked as **Exhibit "A"**.
4. The time shown in the detailed accounts attached as **Exhibit "A"** are a fair and accurate description of the services provided and the amounts charged by the Monitor, which reflect the Monitor's time as billed at its standard billing rates.
5. The Monitor requests that the Court approve its fees and disbursements for the period from June 3, 2009 to July 3, 2009 in the amount of \$88,467.44 plus GST of \$4,423.37, totalling \$92,890.81, for the services set out in **Exhibit "A"**.

6. This affidavit is sworn in support of the Monitor's motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN BEFORE ME in the City )  
of Toronto, in the Province of )  
Ontario, this 9<sup>th</sup> day of July 2009 )



\_\_\_\_\_  
Commissioner for Taking Affidavits, *etc.*



\_\_\_\_\_  
Gary Cerrato, CIRP

**Christopher John Porter, a Commissioner, etc.,**  
Province of Ontario, for **BDO Dunwoody LLP,**  
Chartered Accountants and Consultants and **BDO**  
Dunwoody Limited, Trustee in Bankruptcy, and  
their subsidiaries, associates and affiliates.  
Expires January 10, 2010.



*EXHIBIT A*



BDO Dunwoody Limited

123 Front Street West Suite 1200  
Toronto Ontario Canada M5J 2M2  
Telephone: (416) 865-0210  
Fax: (416) 865-0904

[www.bdo.ca](http://www.bdo.ca)

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**INVOICE**

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Coppley Apparel Group Limited  
56 York Blvd.,  
P.O. Box 2024  
Hamilton, Ontario  
L8N 3S6

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*Date*

9 June 2009

*Invoice No.*

10232077

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*Re: Coppley Apparel Group Limited*

*TO PROFESSIONAL SERVICES RENDERED* in connection with our role as Court Appointed Monitor for the period from 3 June 2009 to 8 June 2009 as per the details below:

Our Fee	\$ 15,397.00
Goods and Services Tax - 5.00% (#R101518124)	769.85
<b>BALANCE DUE</b>	<b>16,166.85</b>

**Summary of Time Charges:**

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
B. Davidson, Partner	18.00	\$ 550.00	\$ 9,900.00
U. Manski, Partner	2.50	550.00	1,375.00
G. Cerrato, Senior Manager	5.80	400.00	2,320.00
M. Samoszewski, CA	7.50	225.00	1,687.50
Administrative	0.90		114.50



<i>Date</i>	<i>Professional</i>	<i>Comments</i>	<i>Time</i>
3-Jun-09	Manski, Uwe	Review of website, and obtain and review PPSA listing; meet at Gowlings with N. Meakin, R. Gillespie, and J. Behar, with D. Cohen on conference call, and with B. Davidson, to discuss financial issues of company, and proposed CCAA application and rushed sales process.	2.0
3-Jun-09	Davidson, Blair	Meet FTI and Gowlings re Monitor appointment; various emails.	1.5
4-Jun-09	Davidson, Blair	Various calls with D. Cohen, N. Meakin and E. Lamek re sales process, liquidation assessment; review cash flow; arrange retainer.	1.5
4-Jun-09	Manski, Uwe	Attend on conference call re marketing process to be implemented, and conducted by BDO as Monitor; subsequent call with E. Lamek, to discuss; brief B. Davidson.	0.5
5-Jun-09	Davidson, Blair	Review Sexton affidavit; telephone call with N. Meakin; various emails; draft Monitor's report.	3.0
5-Jun-09	Cerrato, Gary	Meet with B. Davidson re engagement planning issues; reviewing materials.	1.5
6-Jun-09	Davidson, Blair	Draft Monitor's report for CCAA application; review application materials.	3.0
7-Jun-09	Davidson, Blair	Conference calls re issues over APA, Forbearance Agreement, Bid Procedure; Monitor's report redrafts.	5.0
7-Jun-09	Cerrato, Gary	Conference call with B. Davidson and counsel for Coppley, Wachovia and Emerisque and FTI; review of draft report of the proposed monitor and provide comments.	1.3
8-Jun-09	Cerrato, Gary	Conference call with B. Davidson and counsel to various constituents re Initial Order; Forbearance Agreement; APA and cash flow projections; discussions with B. Davidson re sale process; reviewing financial information for sales process.	3.0
8-Jun-09	Samoszewski, Mark	Perform analytics on key balance sheet accounts - inventory and accounts receivable.	2.5
8-Jun-09	Samoszewski, Mark	Create documents for website for sales process.	2.5



<i>Date</i>	<i>Professional</i>	<i>Comments</i>	<i>Time</i>
8-Jun-09	Samoszewski, Mark	Review financial information and team meeting re the state of the financial information.	2.5
8-Jun-09	Davidson, Blair	Finalize Monitor's report; various calls and emails re issues; develop marketing materials.	4.0



BDO Dunwoody Limited

123 Front Street West Suite 1200  
Toronto Ontario Canada M5J 2M2  
Telephone: (416) 865-0210  
Fax: (416) 865-0904

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## INVOICE

Coppley Apparel Group Limited  
56 York Blvd.,  
P.O. Box 2024  
Hamilton, Ontario  
L8N 3S6

*Date*

15 June 2009

*Invoice No.*

10232395

*Re: Coppley Apparel Group Limited*

*TO PROFESSIONAL SERVICES RENDERED* in connection with our role as Court Appointed Monitor for the period from 9 June 2009 to 12 June 2009 as per the details below:

Our Fee	\$ 17,989.00
Add Disbursements: Travel	189.49
Goods and Services Tax - 5.00% (#R101518124)	908.92
<b>BALANCE DUE</b>	<b>19,087.41</b>

**Summary of Time Charges:**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
B. Davidson, Partner	12.00	\$ 550.00	\$ 6,600.00
G. Cerrato, Senior Manager	16.00	400.00	6,400.00
M. Samoszewski, CA	22.00	225.00	4,950.00
Administrative	0.30		39.00



<i>Date</i>	<i>Professional</i>	<i>Comments</i>	<i>Time</i>
9-Jun-09	Davidson, Blair	Report revisions; review Order, Bid Procedures, Sexton affidavit, Forbearance Agreement; organize marketing materials; various emails; telephone call with E. Lamek and S. Brotman.	4.0
9-Jun-09	Samoszewski, Mark	Complete website; sort through review of website documents; request and review additional financial information from R. Sexton.	4.0
9-Jun-09	Cerrato, Gary	Review bid procedures and changes to other filing documents and Monitor's report; coordinate materials for the website and provide guidance to M. Samoszewski; discussions with B. Davidson.	3.0
10-Jun-09	Davidson, Blair	Monitor Court approval process and final amendments to documents.	2.0
10-Jun-09	Samoszewski, Mark	Set up website and communicating with BDO IT in order to dry run the website for the sales process; request and follow up with newspapers for the print ad for the sale of assets.	4.0
10-Jun-09	Cerrato, Gary	Work on website materials; review latest changes to filing documents.	3.0
11-Jun-09	Davidson, Blair	Review Initial Order; review Bid Procedures and arrange sale process website, targets etc; various emails.	2.0
11-Jun-09	Samoszewski, Mark	Co-ordinate with IT, review and request information in order to set up website; contact and co-ordinate with Globe and Mail; meet with G. Cerrato and Fasken - Martineau representatives re court proceedings.	8.0
11-Jun-09	Cerrato, Gary	Call to N. Meakin re marketing efforts and other financial issues; call to R. Sexton re CCAA and marketing of business; conference call with S. Brotman; work on NDA; meet with M. Samoszewski and coordinate website documents; various discussions with R. Sexton re materials re virtual data room; calling various liquidators re liquidation proposals; discussions with B. Davidson.	5.0
12-Jun-09	Davidson, Blair	Meet Sexton and Gilles re operations, cash flow monitoring and sales process; premises tour; follow up on sales process; status email to lawyers; telephone call with B. Lyle of Hilco.	4.0

<i>Date</i>	<i>Professional</i>	<i>Comments</i>	<i>Time</i>
12-Jun-09	Samoszewski, Mark	Follow up with perspective purchasers, update website, researching private equity, co-ordinate information with R. Sexton.	6.0
12-Jun-09	Cerrato, Gary	Attendance at Copley premises; facilities tour; meet with R. Sexton and S. Gillies and B. Davidson re CCAA procedures and questions; call to Hamilton Spectator to change wording of ad; call to strategic buyers, J. Victor; Peerles; D. Neckware; review of list of prospective private equity firms; call to S. Bloom to gain access to Moelis website.	5.0



**INVOICE**

Copley Apparel Group Limited  
56 York Blvd.,  
P.O. Box 2024  
Hamilton, Ontario  
L8N 3S6

*Date*

22 June 2009

*Invoice No.*

10233045

*Re: Copley Apparel Group Limited*

*TO PROFESSIONAL SERVICES RENDERED* in connection with our role as Court Appointed Monitor for the period from 15 June 2009 to 19 June 2009 as per the details below:

Our Fee		\$	20,822.50
Add Disbursements: Travel		242.00	
Ad in Hamilton Spectator	1,633.23		1,875.23
Goods and Services Tax - 5.00% (#R101518124)			1,134.89
<b>BALANCE DUE</b>			<u><u>23,832.62</u></u>

**Summary of Time Charges:**

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
B. Davidson, Partner	7.00	\$ 550.00	\$ 3,850.00
U. Manski, Partner	6.00	550.00	3,300.00
G. Cerrato, Senior Manager	17.50	400.00	7,000.00
M. Samoszewski, CA	28.50	225.00	6,412.50
Administrative	2.00		260.00

<i>Date</i>	<i>Professional</i>	<i>Comments</i>	<i>Time</i>
9-Jun-09	Manski, Uwe	Meet with G. Cerrato re bidding process; brief from B. Davidson re court attendance; review Monitor's pre-filing report, and affidavit of Richard Sexton, DIP cash flow, and draft Initial Order.	1.5
10-Jun-09	Manski, Uwe	Attendance at Court before Mme. Justice Hoy for arguments re CCAA order, and authorization to conduct very abbreviated sales process - Canadian Bid Procedure.	4.5
15-Jun-09	Cerrato, Gary	Call with R. Sexton re Grano information request; coordinate further updates to website; various calls and conversations to potential interested parties; coordinate NDA agreements; marketing efforts; various calls and discussions with S. Gillies re supplier and payment queries; various discussions with L. Pollack from Grano / Pindoff Records.	5.0
15-Jun-09	Samoszewski, Mark	Assist with sales proceedings; update website and send out information as required per the requests of various parties; mail private equity companies, follow up with liquidators.	8.0
16-Jun-09	Davidson, Blair	Review and execute Escrow Agreement; update fees analysis; review cash flow report.	2.0
16-Jun-09	Cerrato, Gary	Meet with S. Gillies and collection manager re A/R collections; meet with S. Gillies and M. Samoszewski re cash flow reporting procedures; review of cash flow variance report; discussions with M. Samoszewski re report and make amendments and circulate report; discussions with B. Davison re file; call from L. Pollack (prospective purchaser) re his concerns about the fairness of the sale process and due diligence requests.	6.0
16-Jun-09	Samoszewski, Mark	Review cash flow budget with S. Gillies and J. Dubber; perform review procedures on cash reconciliations; monitor website; review budgetary expectations.	8.0
17-Jun-09	Davidson, Blair	Arrange Concord plant visit; follow up on purchaser interest.	1.5

<i>Date</i>	<i>Professional</i>	<i>Comments</i>	<i>Time</i>
17-Jun-09	Cerrato, Gary	Call from Peter at Dion Neckware (prospective purchaser) re how to proceed with an offer for the Concord location and answering various questions he has with respect to the assets; review of disclosure schedules and arrange with M. Samoszewski to post on website; call to R. Sexton re assets and sales process re Royal Shirt division; call to S. Gillies re various operating and cash flow questions; discussions with B. Davidson re file; attend to prospective purchaser calls.	2.5
17-Jun-09	Samoszewski, Mark	Review and create reports for occupancy costs; monitor website and discussions with prospective purchasers.	5.0
18-Jun-09	Davidson, Blair	Concord plant visit; Review Canadian APA and Bid Procedures to prepare for auction process; various emails.	1.5
18-Jun-09	Cerrato, Gary	Call to S. Gillies to answer her government remittance questions; call to E. Lamek at Faskens re government remittance issues and discussions re sales process; work on schedule of estimated recovery; draft of report; call from L. Susuzki from Maynards re offer process.	2.0
18-Jun-09	Samoszewski, Mark	Visit Concord plant; update and maintain website; review occupancy costs report.	4.0
19-Jun-09	Davidson, Blair	Deal with over advance issue; deal with proposed change in the sale process.	2.0
19-Jun-09	Cerrato, Gary	Conference call with S. Brotman and E. Lamek re extension of the sale process for a 2-day period and the requirement to notify interested parties and a discussion re a possible further 10 day extension; discussions re contents of a Monitor's Report.	0.5
19-Jun-09	Cerrato, Gary	Conference call with J. Carhart and his client Behar with respect to the sale of the Concord assets; call from J. Shoniker re bid process; call from Mr. Suzuki from Maynards; call from R. Sexton re setting up escrow accounts for suppliers; discussions with M. Samoszewski re same.	1.5
19-Jun-09	Samoszewski, Mark	Communicate with various buyers; set up protocol for trust payments with suppliers; monitor website activity.	3.5