

01-15-2003

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings



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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

1-15-03

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): IBJ Schroder Bank and Trust Company, as Trustee 1-15-03 Individual(s) Association General Partnership Limited Partnership Corporation-State Other New York banking corporation Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies) Name: London Fog Industries, Inc. Internal Address: Street Address: 1700 Westlake Ave N, Suite 200 City: Seattle State: WA Zip: 89109-3012 Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Delaware Other If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other Termination Execution Date: April 5, 2001

4. Application number(s) or registration number(s): A. Trademark Application No.(s) 2274908 B. Trademark Registration No.(s) See Schedule A annexed hereto Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Marv Toland Internal Address: London Fog Industries, Inc. Street Address: 1700 Westlake Ave N, Suite 200 City: Seattle State: WA Zip: 89109-3012

6. Total number of applications and registrations involved: 42

7. Total fee (37 CFR 3.41): \$ 1,065.00 Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature. Marv Toland Name of Person Signing Signature Date 1/13/03 Total number of pages including cover sheet, attachments, and document: 50

01/16/2003 6TON11 00000032 2274908 01 FC:8521 02 FC:8522 40.00 OP 1025.00 OP

Mall documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 002650 FRAME: 0273

**TRADEMARK REGISTRATIONS**  
**Schedule A**

<b>Reg. No.</b>	<b>Mark</b>
2,274,908	W & DEGREE SIGN
938,911	CLIPPER MIST
1,350,636	CLIPPER MIST
1,968,823	DARBY GREEN
1,710,782	FOG
1,354,246	FOG
1,124,530	FOG
1,298,546	FOG
1,255,331	FOG
1,244,584	FOG
1,245,841	FOG
2,067,368	FOG
1,394,951	LONDON CLUB
858,627	LONDON FOG
1,086,519	LONDON FOG
1,236,446	LONDON FOG
1,245,840	LONDON FOG
1,249,855	LONDON FOG
1,351,765	LONDON FOG
1,669,256	LONDON FOG
851,508	LONDON FOG
1,159,254	LONDON FOG TOWER Design
1,171,380	LONDON FOG TOWER Design
1,173,397	LONDON FOG TOWER Design
1,237,416	LONDON FOG TOWER Design
1,248,986	LONDON FOG TOWER Design
1,238,374	LONDON FOG TOWER Design
1,304,805	LONDON FOG TOWER Design

1,364,497	LONDON FOG TOWER Design
1,306,091	OUTDOORS UNLIMITED
1,373,986	ROYAL CASTLE
423,351	RAINCRAFT Stylized
1,890,599	STERLING EDITION LONDON FOG INDUSTRIES
1,455,401	THAMES OF LONDON
843,245	TOWER Design
1,234,725	TOWER Design
1,245,842	TOWER Design
1,248,987	TOWER Design
1,336,677	TOWER Design
1,818,496	TOWNE
1,202,085	TRAVELAIRE and Design
1,253,004	TRAVELAIRE and Design

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re ) Chapter 11  
London Fog Industries, Inc., et al., )  
Debtors. ) Case No. 99-3446 (PJW)  
Jointly Administered

CONFIRMED: 5/10/01  
AS A TRUE COPY:  
ATTEST:

DAVID D. BIRD, CLERK  
U.S. BANKRUPTCY COURT  
[Signature]

**ORDER AND JUDGMENT CONFIRMING THE DEBTORS' AMENDED  
JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF TITLE 11  
OF THE UNITED STATES CODE AND GRANTING RELATED RELIEF**

This matter having come on for a hearing on April 5, 2001 (the "Confirmation Hearing") on confirmation of the Amended Joint Plan of Reorganization dated February 2, 2001, as amended by certain technical modifications (the "Technical Modifications") filed on April 2, 2001 and April 3, 2001 (the "Plan"),<sup>1</sup> filed by London Fog Industries, Inc., a Delaware corporation ("LFI"), and certain subsidiaries of LFI, including Clipper Mist, Inc., a Maryland corporation, London Fog Sportswear, Inc., a Delaware corporation, Matthew Manufacturing Co., Inc., a Maryland corporation, Pacific Trail, Inc., a Washington corporation ("Pacific Trail"), PTI Holding Corp., a Nevada corporation, PTI Top Company, Inc., a Nevada corporation, Star Sportswear Manufacturing Corp., a Delaware corporation, The Mounger Corporation, a Washington corporation, The Scranton Outlet Corporation, a Delaware corporation ("Scranton Outlet"), and Washington Holding Company, a Georgia corporation, each a debtor and debtor-in-possession herein (collectively, the "Debtors") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"); and

<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.

1104

On the basis of the record of these Cases, including the evidence presented and the arguments of counsel made at the Confirmation Hearing; and on the basis of the Findings of Fact and Conclusions of Law entered contemporaneously herewith (whose definitions and the definitions contained in the Plan are incorporated herein by reference);

Now, after due deliberation, the Court hereby ORDERS, ADJUDGES AND DECREES THAT:

A. The Plan complies with all applicable provisions of the Bankruptcy Code and applicable Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") relating to Confirmation. The Plan, as modified by the Technical Modifications, all provisions thereof, and the exhibits and schedules thereto, hereby are confirmed.

B. The Debtors, the Reorganized Debtors and their respective affiliates, subsidiaries, directors, officers, agents and attorneys are hereby authorized, empowered and directed to issue, execute, deliver, file or record any document, and to take all other actions necessary or appropriate, in their sole discretion, to implement, effectuate and consummate the Plan in accordance with its terms, all without further order of this Court, and on and after the Effective Date, any such document will be legal, valid and binding in accordance with its terms.

C. Immediately upon entry of this Confirmation Order, the Plan and its provisions, together with the provisions of this Confirmation Order, shall be binding upon the Debtors, the Reorganized Debtors, any entity acquiring or receiving property or a distribution under the Plan, any lessor or lessee of property to or from the Debtors, any party to a contract with the Debtors, any person who granted or is a beneficiary of the releases contained in or provided for under the Plan, any Creditor or equity security holder of the Debtors, including all governmental entities, whether or not the Claim or Interest of such Creditor or equity security

holder is impaired under the Plan and whether or not such Creditor, equity security holder or entity has accepted the Plan, any and all nondebtor parties to executory contracts and unexpired leases with any of the Debtors, any and all entities that are parties to or are subject to the settlements, compromises, releases, discharges and injunctions described herein or in the Plan, any other party in interest, and the respective heirs, executors, administrators, successors or assigns, if any, of all of the foregoing.

D. All injunctions or stays, whether imposed by operation of law or by Order of this Court, provided for in the Cases pursuant to sections 105 or 362 of the Bankruptcy Code or otherwise that are in effect on the Confirmation Date, shall remain in full force and effect until the Effective Date. As of the Effective Date, the stay imposed pursuant to section 362(a) of the Bankruptcy Code shall be dissolved and of no further force and effect, subject to the injunction set forth in paragraph H below and/or sections 524 and 1141 of the Bankruptcy Code, except that nothing herein shall bar the filing of documents in connection with the Senior Exit Financing Facility, the Subordinated Exit Financing Facility and the Restructured Eldersburg Mortgage, or the taking of such other actions as are necessary to effectuate the transactions specifically contemplated by the Plan or this Confirmation Order.

E. The appointment or continuation in office as officers and directors of the Reorganized Debtors of each of the individuals previously identified by the Debtors in Plan Schedule 5.6 hereby is approved and ratified as being in the best interests of the Debtors, their ~~Creditors and equity security holders and consistent with public policy, and such officers and~~ directors hereby are deemed elected and appointed as of the Effective Date.

F. Except as provided for in this Order or in the Plan, the rights afforded under the Plan and the treatment of Claims and Interests under the Plan will be in exchange for,

and in complete satisfaction, discharge and release of, all Claims and will effect the cancellation of all Interests (including rights to obtain or purchase Interests), including any interest accrued on Claims from the Petition Date. Except as provided for in the Plan or this Order, as of the Effective Date: (i) the Debtors will be discharged from all Claims or other debts that arose before the Effective Date and all debts of the kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (x) a proof of claim based on such debt is filed or deemed filed pursuant to section 501 of the Bankruptcy Code, (y) a Claim based on such debt is allowed pursuant to section 502 of the Bankruptcy Code, or (z) the holder of a Claim based on such debt has accepted the Plan; and (ii) all Interests and other rights of equity security holders in the Debtors will be terminated.

G. As of the Effective Date, except as provided in the Plan or this Order, all entities will be precluded from asserting against the Debtors, the Reorganized Debtors or their respective affiliates, successors or property, any other or further Claims, demands, debts, rights, causes of action, liabilities or equity interests against the Debtors based upon any act, omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date. In accordance with the foregoing, except as provided in the Plan or this Order, as of the Effective Date, all such Claims and other debts and liabilities against the Debtors shall be discharged and all Interests and other rights of equity security holders in the Debtors shall be terminated, pursuant to sections 524 and 1141 of the Bankruptcy Code. Such discharge and termination will void any judgment obtained against the Debtors or the Reorganized Debtors to the extent that such judgment relates to a discharged Claim or terminated Interest.

H. Except as provided in the Plan or this Order, as of the Effective Date, all entities that have held, currently hold or may hold a Claim or other debt or liability that is

discharged or an Interest or other right of an equity security holder that is terminated pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions on account of any such discharged Claims, debts or liabilities or terminated Interests or rights:

- (i) commencing or continuing in any manner any action or other proceeding against the Debtors, the Reorganized Debtors or their respective property;
- (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors, the Reorganized Debtors or their respective property;
- (iii) creating, perfecting or enforcing any lien or encumbrance against the Debtors, the Reorganized Debtors or their respective property;
- (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors, the Reorganized Debtors or their respective property; and
- (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

I. No Claim shall entitle the holder thereof to a distribution of cash or securities or to other consideration pursuant to the Plan unless, and only to the extent that, such Claim is an Allowed Claim.

J. Except as otherwise provided in this Order or in the Plan (and subject to the mergers and dissolutions contemplated by Section 5.4 of the Plan), each Debtor shall continue to exist as a Reorganized Debtor and as a separate corporate entity, with all of the powers of a corporation under applicable law and without prejudice to any right to alter or to terminate such existence (whether by merger, dissolution or otherwise) under applicable state or foreign law.

K. Except as otherwise provided in this Order, or in the Plan, all property of the Debtors' estates, to the full extent of section 541 of the Bankruptcy Code, and any and all



other rights and assets of the Debtors of every kind and nature shall, on the Effective Date of the Plan, revert in the Reorganized Debtors free and clear of all Liens, Claims and Interests and other encumbrances other than those Liens, Claims and Interests and encumbrances retained, preserved or created pursuant to the Plan and this Confirmation Order. To the extent that the succession to assets of the Debtors by the Reorganized Debtors pursuant to the Plan is deemed to constitute "transfers" of property, such transfers of property to the Reorganized Debtors (a) shall be legal, valid and effective transfers of property, (b) vest or shall vest the Reorganized Debtors with good title to such property, free and clear of all Liens, Claims and Interests and encumbrances except as set forth herein, and (c) do not and shall not subject any of the Reorganized Debtors to any liability by reason of such transfer under the Bankruptcy Code or applicable nonbankruptcy law including, but not limited to, any laws affecting successor or transferee liability, other than the Liens, Claims and Interests and encumbrances retained, preserved, or created pursuant hereto.

L. On and after the Effective Date, each Reorganized Debtor is authorized to (a) operate its business, (b) use, acquire and dispose of property, and (c) compromise or settle any Claims or Interests, in each case without supervision or approval of the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or by this Confirmation Order.

M. Effective as of the Effective Date but immediately prior to the discharge of the Debtors, each of the following transactions shall occur and shall be deemed to have occurred in the order listed: (i) Washington Holding Company shall merge into Matthew Manufacturing Co., Inc. and Matthew Manufacturing Co., Inc. shall be the surviving corporation in such merger, and (ii) each of Clipper Mist, Inc., London Fog Sportswear, Inc., Matthew Manufacturing Co.,

Inc. and Star Sportswear Manufacturing Corp. shall merge into LFI and LFI shall be the surviving corporation in such merger. The corporate transactions described in and contemplated by this paragraph M hereby are approved.

N. Notwithstanding anything to the contrary contained in the Plan or in this Confirmation Order, the Senior DIP Facility and the Final Order approving the Senior DIP Facility shall extend and continue in full force and effect through the Effective Date. On the Effective Date, the Reorganized Debtors and Congress Financial Corporation ("Congress" or the "Senior DIP Lender") shall enter into the Senior Exit Financing Facility and the Amended and Restated Loan and Security Agreement (the "Senior Exit Financing Credit Agreement") and all Financing Agreements (as such term is defined in the Senior Exit Financing Credit Agreement). The Senior Exit Financing Facility hereby is approved. Pursuant to section 1142(b) of the Bankruptcy Code and without further action by this Court or by the shareholders and directors of any of the Reorganized Debtors, the Reorganized Debtors are authorized to enter into the Senior Exit Financing Facility, to perform all of their obligations thereunder and to execute and deliver all documents, agreements and instruments necessary or appropriate to enter into and perform all obligations under the Senior Exit Financing Facility and to take all other actions and execute, deliver, record and file all other such agreements, documents, instruments, financing statements, releases, applications, registration statements, reports and any changes, additions and modifications thereto in connection with the consummation of the transactions contemplated by the Senior Exit Financing Facility, including, without limitation, the making of such filings, or the recording of any security interests, as may be required by such Senior Exit Financing Facility.

O. Notwithstanding anything to the contrary contained herein or in the Plan, as of and after the Effective Date, all Pre-Effective Date Obligations (as such term is defined in the Senior Exit Financing Credit Agreement), including, without limitation, all loans, advances, financial accommodations, borrowings, letters of credit, indebtedness and other obligations outstanding under the Senior DIP Facility shall be, and hereby are, deemed to be Post-Effective Date Obligations (as defined in the Senior Exit Financing Credit Agreement) of the Reorganized Debtors under the Senior Exit Financing Facility. Notwithstanding the entry of this Order, the Final Order approving the Senior DIP Facility, the Senior DIP Facility, and all liens, security interests, claims and priorities in favor of the Senior DIP Lender thereunder, and the documents and agreements entered into in connection therewith, shall remain in full force and effect, and shall constitute and continue to constitute the legal, valid and binding obligations of the Debtors, until the later of the Effective Date or the date all obligations arising under the Senior DIP Facility and the Final Order approving the Senior DIP Facility are indefeasibly paid and satisfied in full, including by virtue of the entry by the Reorganized Debtors and Congress into the Senior Exit Financing Facility. On and after the Effective Date, all security interests and liens of the Senior DIP Lender in and on the assets and properties of the Debtors under the Senior DIP Facility shall be, and hereby are, deemed to continue and survive in full force and effect as against the Reorganized Debtors under the Senior Exit Financing Facility pursuant to and in accordance with the terms and conditions of the Senior Exit Financing Credit Agreement, and shall not be discharged, released, terminated or otherwise impaired as a result of Confirmation of the Plan and the occurrence of the Effective Date. Proof of claim number 513, filed by the Senior DIP Lender in its capacity as Lender under the Pre-Petition Credit Agreement (as such term is defined in the Disclosure Statement to the Plan), is hereby amended such that all Pre-

Effective Date Obligations outstanding as of the Effective Date shall be allowed under the Plan and in this Confirmation Order, and shall be treated in accordance with the terms and conditions of the Senior Exit Financing Facility and this Confirmation Order.

P. On the Effective Date, the Reorganized Debtors and DDJ Capital Management, LLC, as agent for certain lenders, shall enter into the Subordinated Exit Financing Facility in full satisfaction, release and discharge of the Subordinated DIP Facility in the maximum principal amount of \$35 million, and the Subordinated Exit Financing Facility hereby is approved. Any remaining obligations of the Debtors under the Subordinated DIP Facility shall be paid in full in Cash on the Effective Date, or otherwise satisfied in a manner acceptable to the Subordinated DIP Lenders. Pursuant to section 1142(b) of the Bankruptcy Code and without further action by this Court or by the shareholders and directors of any of the Reorganized Debtors, the Reorganized Debtors are authorized to execute and deliver those documents necessary or appropriate to enter into the Subordinated Exit Financing Facility and to take all other actions and execute, deliver, record and file all other such agreements, instruments, financing statements, releases, applications, registration statements, reports and any changes, additions and modifications thereto in connection with the consummation of the transactions contemplated by the Subordinated Exit Financing Facility, including the making of such filings, or the recording of any security interests, as may be required by such Subordinated Exit Financing Facility.

~~Q. The security interests and liens securing the Subordinated DIP Facility shall continue until the satisfaction in full of all obligations arising under the Subordinated DIP Facility. Notwithstanding the entry of this Order, the Subordinated DIP Facility and the documents and agreements entered into in connection therewith shall constitute and continue to~~

constitute the legal, valid and binding obligations of the Debtors and the Reorganized Debtors, enforceable against the Debtors and the Reorganized Debtors in accordance with their respective terms, until payment in full of all obligations arising thereunder. The Final Order approving the Subordinated DIP Facility shall remain in full force and effect until the later of the Effective Date or the date all obligations arising under the Subordinated DIP Facility and the final Order approving the Subordinated DIP Facility are paid in full, including by virtue of the entry by the Reorganized Debtors and DDJ Capital Management, LLC, as Agent, into the Subordinated Exit Financing Facility.

R. On the Effective Date, the Reorganized Debtors and General Electric Capital Business Asset Funding Corporation ("GE Capital Business") shall enter into the Restructured Eldersburg Mortgage in full satisfaction, release and discharge of all amounts outstanding under the Eldersburg Mortgage, and the Restructured Eldersburg Mortgage hereby is approved. Any remaining obligations of the Debtors under the Eldersburg Mortgage shall be paid in full in Cash on the Effective Date, or otherwise satisfied in a manner acceptable to the Eldersburg Mortgagee. Pursuant to section 1142(b) of the Bankruptcy Code and without further action by this Court or by the shareholders and directors of any of the Reorganized Debtors, the Reorganized Debtors are authorized to execute and deliver those documents necessary or appropriate to enter into the Restructured Eldersburg Mortgage and to take all other actions and execute, deliver, record and file all other such agreements, instruments, financing statements, releases, applications, registration statements, reports and any changes, additions and modifications thereto in connection with the consummation of the transactions contemplated by the Restructured Eldersburg Mortgage, including the making of such filings, or the recording of any security interests, as may be required by such Restructured Eldersburg Mortgage.

S. The security interests and liens securing the Eldersburg Mortgage, whether existing on the Petition Date or thereafter created or acquired, shall continue until the satisfaction in full of all obligations arising under the Eldersburg Mortgage, including by virtue of the entry by the Reorganized Debtors and GE Capital Business into the Restructured Eldersburg Mortgage. Notwithstanding the entry of this Order, the Eldersburg Mortgage and the documents and agreements entered into in connection therewith shall constitute and continue to constitute the legal, valid and binding obligations of the Debtors and the Reorganized Debtors, enforceable against the Debtors and the Reorganized Debtors in accordance with their respective terms, until satisfaction in full of all obligations arising thereunder, including by virtue of the entry by the Reorganized Debtors and GE Capital Business into the Restructured Eldersburg Mortgage. As of the later of the Effective Date or the date all obligations arising under the Eldersburg Mortgage are satisfied in full, including by virtue of the entry by the Reorganized Debtors and GE Capital Business into the Restructured Eldersburg Mortgage, proof of claim number 450, filed by the Eldersburg Mortgagee in respect of the Eldersburg Mortgage, shall be deemed expunged and disallowed in full.

T. None of the Debtors, the Reorganized Debtors, the Creditors' Committee, the Senior DIP Lender under either the Senior DIP Facility or the Senior Exit Financing Facility, the Subordinated DIP Agent, the Subordinated DIP Lenders, the Indenture Trustee, the Eldersburg Mortgagee, Mellon Investor Services LLC, nor any of their respective officers, directors, employees, members, agents, attorneys, underwriters or investment bankers, nor any other professional Persons employed by any of them (collectively, the "Exculpated Persons"), shall have or incur any liability to any Person for any act taken or omission made in good faith in connection with or related to formulating, negotiating, implementing, confirming or

consummating the Plan, the Disclosure Statement, or any contract, instrument, release or other agreement or document created or entered into in connection with the Plan. The Exculpated Persons shall have no liability to any Debtor, holder of a Claim, holder of an Interest, other party in interest in the Cases, or any other Person for actions taken or not taken under the Plan, in connection therewith or with respect thereto, or arising out of their administration of the Plan or the property to be distributed under the Plan, in good faith, including, without limitation, failure to obtain Confirmation of the Plan or satisfy any condition or conditions, or refusal to waive any condition or conditions, to the occurrence of the Effective Date, and in all respects such Exculpated Persons shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

U. All releases of claims and causes of action against persons and entities that are embodied in Section 7.6 of the Plan or in this Order, including those third-party releases that voluntarily were granted pursuant to the Ballots distributed in connection with the solicitation of votes to accept or reject the Plan, are effective and binding on all persons and entities that may have had standing to assert such claims or causes of action and that granted the releases. The terms of such releases are deemed included herein as if expressly stated. As of the Effective Date, all entities that have held, currently hold or may hold a claim, obligation, demand, debt, right, cause of action and liability that has been voluntarily released pursuant to the Plan permanently are enjoined from taking any of the following actions on account of such released ~~claims, obligations, demands, debts, rights, causes of action or liabilities:~~ (i) commencing or continuing in any manner any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff, right of subrogation or recoupment of

any kind against any debt, liability or obligation due to any released entity; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

V. Except as otherwise provided in the Plan and in this Confirmation Order, subject to the occurrence of the Effective Date and other than for purposes of receiving distributions under the Plan, upon entry of this Order on the docket of the Clerk of this Court, all evidences of Claims against and Interests in the Debtors that are impaired under the Plan, shall be and are deemed to be canceled and terminated, and the obligations of the applicable Debtors thereunder or in connection therewith shall be discharged.

W. On and as of the Effective Date, all contractual, legal or equitable subordination and turnover rights that a holder of a Claim or Interest or the Debtors may have with respect to any distribution to be made pursuant to the Plan will be discharged and terminated, and all actions related to the enforcement of any subordination rights will be permanently enjoined. Distributions made pursuant to the Plan to holders of Allowed Claims will not be subject to payment to any beneficiary of such terminated subordination rights, or to levy, garnishment, attachment or other legal process by a beneficiary of such terminated subordination rights.

X. The provisions of the Plan constitute a good faith compromise and settlement of all claims or controversies relating to the enforcement or termination of all contractual, legal and equitable subordination and turnover rights that a holder of a Claim or Interest or the Debtors may have with respect to any Allowed Claim or Interest, or any distribution to be made pursuant to the Plan on account of such Claim. The compromise or



settlement of all such claims or controversies is approved under Rule 9019 of the Bankruptcy Rules as being fair, equitable and reasonable and in the best interests of the Debtors, the Reorganized Debtors and the holders of Claims and Interests.

Y. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the entry of this Confirmation Order or the occurrence of the Effective Date, this Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Cases and the Plan to the fullest extent permitted by law including, inter alia, all of the matters and for all of the purposes described in this Order or in Section 8.1 or otherwise in the Plan.

Z. Except as otherwise provided in the Plan or this Order or other order of the Court, no payment provided for in the Plan shall be made prior to the Effective Date.

AA. Except as otherwise provided in the Plan, any distribution under the Plan that is unclaimed after the later of the Final Distribution Date and the date that is two years after the Effective Date shall be distributed in the manner provided for in Section 6.3(F) of the Plan.

BB. Pursuant to Section 3.1 of the Plan, as of the Effective Date, each executory contract and unexpired lease to which any of the Debtors is a party shall be deemed automatically rejected as of the Effective Date, unless such executory contract or unexpired lease (a) shall have been previously rejected or assumed by order of the Bankruptcy Court, (b) is the subject of a motion to assume filed on or before the Confirmation Date, or (c) is listed on the schedule of assumed contracts and leases annexed as Plan Schedule 3.2. The executory contracts and unexpired leases to be rejected shall include, but shall not be limited to, the executory contracts and unexpired leases set forth on Plan Schedule 3.1, and all such rejections hereby are approved pursuant to section 365(b)(1) of the Bankruptcy Code and, to the extent applicable, section 365(b)(3) of the Bankruptcy Code, as of the Effective Date; provided, however, that the

Debtors shall have the right, at any time prior to the Effective Date, to amend Plan Schedule 3.1 to delete any executory contract or unexpired lease listed therein and include such contract or lease in Plan Schedule 3.2, thus providing for its assumption pursuant to Section 3.2 of the Plan. Listing a contract or lease on Plan Schedule 3.1 shall not constitute an admission by a Debtor or Reorganized Debtor that such contract or lease is an executory contract or unexpired lease or that a Debtor or Reorganized Debtor has any liability with respect thereto.

CC. Pursuant to Section 3.2 of the Plan, except with respect to executory contracts and unexpired leases that previously have been assumed or are the subject of a motion to assume which was filed on or before the Confirmation Date, all executory contracts and unexpired leases specifically listed on the schedule of assumed executory contracts and unexpired leases annexed as Plan Schedule 3.2, shall be deemed automatically assumed by the applicable Debtor as of the Effective Date. Any executory contracts and unexpired leases assumed by any of the Debtors pursuant to Section 3.2 of the Plan or pursuant to any order of this Court during the Cases shall be deemed assigned to the Reorganized Debtors on the Effective Date, and all such assumptions and assignments hereby are approved pursuant to Section 365 of the Bankruptcy Code; provided, however, that the Debtors shall have the right, at any time prior to the Effective Date, to amend Plan Schedule 3.2 to delete any executory contract or unexpired lease listed therein, thus providing for its rejection pursuant to Section 3.1 of the Plan. Listing a contract or lease on Plan Schedule 3.2 shall not constitute an admission by a Debtor or Reorganized Debtor that such contract or lease is an executory contract or unexpired lease that a Debtor or Reorganized Debtor has any liability with respect thereto. Each executory contract and unexpired lease that is assumed and relates to the use, ability to acquire or occupancy of real property shall include (a) all modifications, amendments, supplements,

restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affect such executory contract or unexpired lease and (b) all executory contracts or unexpired leases appurtenant to the premises, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easement agreements and any other interests in real estate or rights in rem related to such premises, unless any of the foregoing agreements has been rejected pursuant to a Final Order of this Court or is otherwise rejected as part of the Plan.

DD. Pursuant to Section 5.13 of the Plan, except as otherwise set forth in the Plan and subject to the provisions of paragraph GG below, to the extent that any of the Debtors have in place as of the Effective Date employment, retirement, indemnification and other agreements with their respective directors, officers and employees, or retirement income plans, welfare benefit plans and other plans for such Persons, such agreements, programs and plans shall be deemed rejected as of the Effective Date pursuant to Section 365 of the Bankruptcy Code; provided, that on and after the Effective Date, the agreements, programs and plans set forth in Plan Schedule 5.13 shall be assumed pursuant to Section 365 of the Bankruptcy Code, and such rejections or assumptions, as applicable, hereby are approved.

EE. Any monetary amounts by which each executory contract and unexpired lease to be assumed under the Plan may be in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by Cure. In the event of a dispute regarding (a) the nature or the amount of any Cure, (b) the ability of the applicable Reorganized Debtor or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (c) any other matter pertaining to assumption, Cure shall occur following the entry of a Final Order resolving the dispute and

approving the assumption and, as the case may be, assignment. To the extent the Debtor who is a party to the unexpired lease or executory contract is to be merged or liquidated pursuant to this Plan, the non-Debtor parties to such unexpired lease or executory contract shall, upon assumption as contemplated herein, be deemed to have consented to the assignment of such unexpired lease or executory contract to the Reorganized Debtor that is the surviving entity after such merger or liquidation.

FF. If the rejection by a Debtor, pursuant to the Plan or otherwise, of an executory contract or unexpired lease results in a Claim, then such Claim shall be forever barred and shall not be enforceable against any Debtor or Reorganized Debtor or the properties of any of them unless a proof of claim is filed with the clerk of the Bankruptcy Court and served upon counsel to the Debtors within thirty (30) days after service of the earlier of (a) the Confirmation Notice (as defined below), or (b) other notice that the executory contract or unexpired lease has been rejected pursuant to an order of the Bankruptcy Court.

GG. The Pension Plan is not an executory contract that may be assumed or rejected under section 365 of the Bankruptcy Code. Upon the occurrence of the Effective Date, Reorganized LFI shall continue the Pension Plan, meet the minimum funding standards under ERISA and the Internal Revenue Code, pay all PBGC insurance premiums, and administer and operate the Pension Plan in accordance with its terms, the Internal Revenue Code, and ERISA. Nothing in the Plan or in this Confirmation Order shall be deemed to discharge, release, or relieve the Debtors, the Reorganized Debtors, any member of the Debtors' or Reorganized Debtors' controlled groups (as defined in 29 U.S.C. § 1301(a)(14)) or any other party, in any capacity, from any current or future liability with respect to the Pension Plan, and PBGC, the Pension Plan and Pension Plan participants shall not be enjoined or precluded from enforcing

such liability as a result of confirmation of the Plan. In conjunction with the foregoing, the Debtors have included that certain Trust Agreement dated as of October 25, 1989 between Londontown Corporation, predecessor-in-interest to LFI, and Security Trust Company, N.A., predecessor-in-interest to Mercantile Safe-Deposit & Trust Company (the "Trust Agreement"), on Plan Schedule 3.2. Notwithstanding Section 3.3(B) of the Plan, the Trust Agreement hereby is deemed assumed by the Debtors as of the date hereof in accordance with section 365 of the Bankruptcy Code. Upon the Effective Date, PBGC and Mercantile Safe-Deposit & Trust Company ("Mercantile") shall be deemed to have withdrawn the Single-Employer Pension Plan Claims; provided, however, that the foregoing shall not preclude Mercantile from seeking a resolution of any dispute regarding Cure under the Trust Agreement as provided in Section 3.4 of the Plan.

HH. Pursuant to section 1142(b) of the Bankruptcy Code, without further action by this Court or the shareholders or boards of directors of any of the Reorganized Debtors, and without limiting the power or authority of the Reorganized Debtors following the Effective Date to take any and all such actions as may be permitted or required by applicable nonbankruptcy law, the Reorganized Debtors are authorized, as of the Effective Date, to: (a) maintain, amend or revise existing employment, retirement, welfare, incentive, severance, indemnification and other agreements with their active directors, officers and employees, subject to the terms and conditions of any such agreement; (b) enter into new employment, retirement, welfare, incentive, severance, indemnification and other agreements for active and retired employees; and (c) implement the provisions of the Stock Option Plan attached to the Plan as Plan Exhibit 6, and all agreements and documents related thereto.

II. Pursuant to section 1146(c) of the Bankruptcy Code, (a) the creation of any mortgage, deed of trust or other security interest, including, without limitation, the Restructured Eldersburg Mortgage to be provided to GE Capital Business and the second mortgage to be provided to Congress in accordance with the terms and conditions of the Senior Exit Financing Facility with respect to any of the Debtors' owned property located in Eldersburg, Maryland and (b) the making of any agreement or instrument in furtherance of, or in connection with, the Plan, including any other agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale, or assignments executed in connection with the Plan, will not be subject to any stamp or similar tax pursuant to section 1146(c) of the Bankruptcy Code. This Court retains specific jurisdiction with respect to this matter. Each federal, state and local governmental or regulatory agency or department is hereby authorized and directed to comply with section 1146(c) and to accept the filing of all documents and instruments necessary and appropriate to consummate the Plan without the requirement to pay any otherwise applicable stamp tax or similar tax.

JJ. Pursuant to sections 1123(a) and 1142(a) of the Bankruptcy Code, the provisions of this Order, the Plan and all Plan-related documents shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

KK. Within ten (10) business days after the Confirmation Date, or as soon as practicable thereafter, the Debtors shall mail the notice (the "Confirmation Notice"), in substantially the form annexed hereto as Exhibit A, by first class mail, postage prepaid, to (i) the Office of the United States Trustee for the District of Delaware, (ii) all known holders of Claims against, and Interests in, the Debtors, and (iii) all parties that have requested notice in these Cases. The form of Confirmation Notice hereby is approved. Service of the Confirmation

Notice as provided herein shall constitute good and sufficient notice pursuant to Bankruptcy Rules 2002(f)(7), 2002(k) and 3020(c) of entry of this Confirmation Order and of the relief granted herein and, except as otherwise set forth in this Confirmation Order, no other or further notice need be given.

LL. Notwithstanding the foregoing, pursuant to Bankruptcy Rule 2002(l), the Debtors may, but are not required to, publish a notice of the occurrence of the Effective Date of the Plan substantially in the form attached hereto as Exhibit B (the "Effective Date Notice") in The Wall Street Journal (global edition), the Carroll County Times and The Seattle Times, within ten (10) business days after the occurrence of the Effective Date.

MM. Except as set forth in paragraph NN hereof, all requests for payment of administrative costs and expenses incurred prior to the Confirmation Date pursuant to sections 507(a)(1) or 503(b) of the Bankruptcy Code shall be shall be filed with the Bankruptcy Court, 5<sup>th</sup> Floor, 824 Market Street, Wilmington, Delaware 19801 and served on (i) London Fog Industries, Inc., et al., 1700 Westlake Avenue North, Suite 200, Seattle, Washington 98109, Attention: Marv Toland, (ii) Sidley & Austin, 875 Third Avenue, New York, New York 10022, Attention: Kelley A. Cornish, Esq., (iii) Young Conaway Stargatt & Taylor LLP, 11<sup>th</sup> and Market Streets, The Wilmington Trust Center, 11<sup>th</sup> Floor, Wilmington Delaware 19801, Attention: Joel A. Waite, Esq., (iv) the Senior DIP Lender, Congress Financial Corporation, 1133 Avenue of the Americas, New York, New York 10036, Attention: Mr. Laurence S. Forte, (v) counsel to the Senior DIP Lender, Otterbourg, Houston, Steindler & Rosen, P.C., 230 Park Avenue, New York, New York 10169, Attention: Jonathan N. Helfat, Esq., (vi) the Subordinated DIP Agent, DDJ Capital Management, LLC, 141 Linden Street, Wellesley, Massachusetts, 02482, Attention: Mr. David Breazzano, Member, (vii) counsel to the

Subordinated DIP Agent, Goodwin Procter LLP, 53 State Street, Exchange Place, Boston, Massachusetts 02109-2881, Attention: Jon D. Schneider, Esq., (viii) the Creditors' Committee, c/o Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022, Attention: Thomas Moers Mayer, Esq., and (ix) the Office of the United States Trustee, 601 Walnut Street, The Curtis Center, Suite 950 West, Philadelphia, Pennsylvania 19106, Attention: Frank J. Perch III, Esq., so as to be received no later than the date that is twenty-five (25) days after the Effective Date at 4:00 p.m. Any such request that is not filed and served within this time shall be forever barred. Notice of the deadline for filing such requests and the persons upon whom service must be made, as provided for in the Confirmation Notice, constitutes good and sufficient notice and no further notice need be given.

NN. All final applications for compensation of professional persons employed by the Debtors or the Committee pursuant to orders entered by this Court and on account of services rendered prior to the Confirmation Date not subject to an application already pending before the Bankruptcy Court (including the reimbursement of the expenses of the members of the Committee) pursuant to sections 507(a)(1) or 503(b) of the Bankruptcy Code shall be filed with the Bankruptcy Court, 5<sup>th</sup> Floor, 824 Market Street, Wilmington, Delaware 19801 and served on (i) London Fog Industries, Inc., et al., 1700 Westlake Avenue North, Suite 200, Seattle, Washington 98109, Attention: Marv Toland, (ii) Sidley & Austin, 875 Third Avenue, New York, New York 10022, Attention: Kelley A. Cornish, Esq., (iii) Young Conaway Stargatt & Taylor LLP, 11<sup>th</sup> and Market Streets, The Wilmington Trust Center, 11<sup>th</sup> Floor, Wilmington Delaware 19801, Attention: Joel A. Waite, Esq., (iv) the Senior DIP Lender, Congress Financial Corporation, 1133 Avenue of the Americas, New York, New York 10036, Attention: Mr. Laurence S. Forte, (v) counsel to the Senior DIP Lender, Otterbourg, Houston, Steindler &



Rosen, P.C., 230 Park Avenue, New York, New York 10169, Attention: Jonathan N. Helfat, Esq., (vi) the Subordinated DIP Agent, DDJ Capital Management, LLC, 141 Linden Street, Wellesley, Massachusetts, 02482, Attention: Mr. David Breazzano, Member, (vii) counsel to the Subordinated DIP Agent, Goodwin Procter LLP, 53 State Street, Exchange Place, Boston, Massachusetts 02109-2881, Attention: Jon D. Schneider, Esq., (viii) the Creditors' Committee, c/o Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022, Attention: Thomas Moers Mayer, Esq., and (ix) the Office of the United States Trustee, 601 Walnut Street, The Curtis Center, Suite 950 West, Philadelphia, Pennsylvania 19106, Attention: Frank J. Perch III, Esq., so as to be received no later than the date that is twenty-five (25) days after the Effective Date at 4:00 p.m. Any such application that is not filed and served within this time shall be forever barred. Objections to any such application must be filed with the Bankruptcy Court and served on the parties previously identified in this paragraph NN so as to be received no later than fifteen (15) days after receipt of such application. Notice of the deadline for filing such applications, the deadline for filing objections to such applications and the persons upon whom service must be made, as provided for in the Confirmation Notice, constitutes good and sufficient notice and no further notice need be given.

OO. No applications need be filed for compensation and reimbursement by professional persons for services rendered or expenses incurred on and after the Effective Date, and such compensation and reimbursement may be paid by the Reorganized Debtors directly in accordance with ordinary business practices and without further authorization of this Court.

PP. The Creditors' Committee shall continue to exist after the Confirmation Date until the Effective Date with the same power and authority, and the same ability to retain

and compensate professionals, as it had prior to the Confirmation Date, and shall be dissolved on the Effective Date.

QQ. Pursuant to Section 5.10 of the Plan, on and after the Effective Date, a representative of DDJ Capital Management, LLC, current chair of the Creditors' Committee, will serve as Plan Oversight Administrator. The Reorganized Debtors shall consult with the Plan Oversight Administrator on a regular basis concerning the Reorganized Debtors' investigation, prosecution and proposed settlement of Avoidance Actions. The Reorganized Debtors shall not settle, compromise or abandon any Avoidance Action without either the approval of the Plan Oversight Administrator or an order of the Bankruptcy Court. Subject to the approval of the Plan Oversight Administrator, the Reorganized Debtors may settle, compromise and/or abandon any Avoidance Action without an order of the Bankruptcy Court. The Reorganized Debtors hereby are directed to pay the reasonable expenses of the Plan Oversight Administrator. The Plan Oversight Administrator shall no longer have any duties or powers pursuant to this Section 5.10 as of the date when all Avoidance Actions have been settled, compromised, prosecuted to final judgment or abandoned.

RR. This Order shall be effective according to its terms upon its entry.

SS. The Reorganized Debtors shall have the right, to the full extent permitted by section 1142 of the Bankruptcy Code, to apply to this Court for an order, notwithstanding any otherwise applicable nonbankruptcy law, directing any entity to execute and deliver any instrument or to perform any other act; provided, that without the consent of the affected party, or a determination by this Court that such relief is necessary to ensure the cooperation or compliance of any party or to compensate the Reorganized Debtors for damages associated with a lack of such cooperation or compliance with the terms and conditions of this Order, the Plan,

and any documents related thereto, no such order shall modify or impair any right, title, interest, privilege, or remedy expressly provided or reserved to such party under this Order, the Plan or any document related thereto.

TT. This Order shall constitute the approval of the Plan and the transactions contemplated thereby, including, without limitation, those corporate transactions contemplated under Section 5.4 of the Plan or this Order pursuant to the Delaware General Corporation Law, the Maryland General Corporation Law, the Nevada General Corporation law, the Washington Business Corporation Act and the Georgia Business Corporation Code.

UU. The provisions of section 1145 of the Bankruptcy Code shall be applicable to the issuance and distribution of New LFI Common Shares pursuant to the Plan, and such securities therefore shall be exempt from the requirements of Section 5 of the Securities Act of 1933, as amended, as well as any State or local law requiring registration for offer or sale of such securities or registration or licensing of the issuer of such securities. Pursuant to, and to the fullest extent permitted by, section 1145 of the Bankruptcy Code, the resale of any securities issued pursuant to the Plan shall be exempt from Section 5 of the Securities Act and any State or local law requiring registration prior to the offering, issuance, distribution or sale of such securities.

VV. Mellon Investor Services LLP hereby is authorized and empowered to act as Disbursing Agent under the Plan.

WW. "Substantial consummation" of the Plan, as defined in section 1101(2) of the Bankruptcy Code, shall be deemed to occur upon completion of all actions and transactions required by the Plan to be effected prior to or upon the Effective Date.


XX. The failure specifically to include or reference any particular provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Plan be confirmed in its entirety.

YY. Upon the entry of this Order, all provisions of the Plan, including all agreements, instruments and other documents filed in connection with the Plan and executed by the Debtors or the Reorganized Debtors in connection with the Plan shall be binding upon the Debtors and the Reorganized Debtors, all Claim and Interest holders and all other entities that are affected in any manner by the Plan. All agreements, instruments and other documents filed in connection with the Plan shall have full force and effect as of the entry of this Order, and shall bind all parties thereto as of the Effective Date, whether or not issued, delivered or recorded on the Effective Date or thereafter, and the provisions of the Plan and of this Confirmation Order shall be construed in a manner consistent with each other so as to effect the purposes of each; provided, however, that in the event of any inconsistency between the terms of the Plan or such other documents, on the one hand, and the terms of this Order, on the other, the terms of this Order shall govern.

ZZ. This Confirmation Order is and shall be deemed a separate Confirmation Order with respect to each of the Debtors in each Debtor's separate Case for all purposes. The Clerk of the Court is directed to file and docket this Confirmation Order in the Case of each of the Debtors.

AAA. The Debtors shall have the right, in accordance with section 1127 of the Bankruptcy Code, to modify or amend the Plan after the Confirmation Date to the full extent permitted by law.

Dated: Wilmington, Delaware  
April 5, 2001

  
\_\_\_\_\_  
The Honorable Peter J. Walsh  
Chief United States Bankruptcy Judge

# EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re )  
)  
LONDON FOG INDUSTRIES, INC., ) Chapter 11  
Tax I.D. No. 36-3425294 )  
)  
CLIPPER MIST, INC. )  
Tax I.D. No. 52-0910239 )  
) Case No. 99-3446 (PJW)  
LONDON FOG SPORTSWEAR, INC. )  
Tax I.D. No. 58-1148067 )  
) (Jointly Administered)  
MATTHEW MANUFACTURING )  
CO., INC. )  
Tax I.D. No. 52-0910348 )  
)  
PACIFIC TRAIL, INC. )  
Tax I.D. No. 91-0502298 )  
)  
PTI HOLDING CORP. )  
Tax I.D. No. 36-3857281 )  
)  
PTI TOP COMPANY, INC. )  
Tax I.D. No. 36-3857280 )  
)  
STAR SPORTSWEAR )  
MANUFACTURING CORP. )  
Tax I.D. No. 04-1865930 )  
)  
THE MOUNGER CORPORATION )  
Tax I.D. No. 91-0992719 )  
)  
THE SCRANTON OUTLET )  
CORPORATION )  
Tax I.D. No. 36-2956896 )  
)  
WASHINGTON HOLDING COMPANY )  
Tax I.D. No. 43-1141194, )  
----- )  
Debtors. )

**NOTICE OF CONFIRMATION OF AMENDED JOINT PLAN OF REORGANIZATION,  
DEADLINE FOR FILING REQUESTS FOR PAYMENT OF CERTAIN  
ADMINISTRATIVE CLAIMS AND REJECTION CLAIMS AND RELATED MATTERS**

PLEASE TAKE NOTICE that on April 5, 2001 (the "Confirmation Date"), the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered an order (the "Confirmation Order") confirming the Amended Joint Plan of Reorganization dated February 2, 2001 (the "Plan"), of London Fog Industries, Inc., a Delaware corporation, and certain subsidiaries of LFI, including

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Clipper Mist, Inc., a Maryland corporation, London Fog Sportswear, Inc., a Delaware corporation, Matthew Manufacturing Co., Inc., a Maryland corporation, Pacific Trail, Inc., a Washington corporation, PTI Holding Corp., a Nevada corporation, PTI Top Company, Inc., a Nevada corporation, Star Sportswear Manufacturing Corp., a Delaware corporation, The Mounger Corporation, a Washington corporation, The Scranton Outlet Corporation, a Delaware corporation, and Washington Holding Company, a Georgia corporation, each a debtor and debtor-in-possession herein (collectively, the "Debtors") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

PLEASE TAKE FURTHER NOTICE that unless another order of the Bankruptcy Court provides for another date (in which case such other date would apply), all requests for payment of administrative costs and expenses incurred prior to the Effective Date pursuant to sections 507(a)(1) and 503(b) of the Bankruptcy Code shall be filed with the Bankruptcy Court, 5th Floor, 824 Market Street, Wilmington, Delaware 19801 and served on (i) London Fog Industries, Inc., et al., 1700 Westlake Avenue North, Suite 200, Seattle, Washington 98109, Attention: Marv Toland, (ii) Sidley & Austin, 875 Third Avenue, New York, New York 10022, Attention: Kelley A. Cornish, Esq., (iii) Young Conaway Stargatt & Taylor LLP, 11<sup>th</sup> and Market Streets, The Wilmington Trust Center, 11<sup>th</sup> Floor, Wilmington Delaware 19801, Attention: Joel A. Waite, Esq., (iv) the Senior DIP Lender, Congress Financial Corporation, 1133 Avenue of the Americas, New York, New York 10036, Attention: Mr. Laurence S. Forte, (v) counsel to the Senior DIP Lender, Otterbourg, Houston, Steindler & Rosen, P.C., 230 Park Avenue, New York, New York 10169, Attention: Jonathan N. Helfat, Esq., (vi) the Subordinated DIP Agent, DDJ Capital Management, LLC, 141 Linden Street, Wellesley, Massachusetts, 02482, Attention: Mr. David Breazzano, Member, (vii) counsel to the Subordinated DIP Agent, Goodwin, Procter & Hoar, 53 State Street, Exchange Place, Boston, Massachusetts 02109-2881, Attention: Jon D. Schneider, Esq., (viii) the Creditors' Committee, c/o Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022, Attention: Thomas Moers Mayer, Esq., and (ix) the Office of the United States Trustee, 601 Walnut Street, The Curtis Center, Suite 950 West, Philadelphia, Pennsylvania 19106, Attention: Frank J. Perch III, Esq., so as to be received no later than the date that is twenty-five (25) days after the Effective Date of the Plan at 4:00 p.m. Any such request that is not filed and served within this time shall be forever barred. The Debtors currently anticipate that the Effective Date will be April 16, 2001.

PLEASE TAKE FURTHER NOTICE that pursuant to the Plan and Confirmation Order, each executory contract and unexpired lease entered into by any of the Debtors prior to the Petition Date shall be rejected pursuant to section 365 of the Bankruptcy Code, except for any executory contract or unexpired lease that (i) previously has been rejected or assumed by order of the Bankruptcy Court, (ii) is the subject of a motion to assume filed on or before the Confirmation Date, or (iii) is listed on the schedule of assumed contracts and leases annexed as Plan Schedule 3.2 and attached hereto.

PLEASE TAKE FURTHER NOTICE that all proofs of claim with respect to claims arising from the rejection of any executory contract or unexpired lease, as set forth in the paragraph above, must be filed with the clerk of the Bankruptcy Court, 5th Floor, 824 Market Street, Wilmington, Delaware 19801 and ~~served on counsel to the Debtors, Sidley & Austin, 875 Third Avenue, New York, New York 10022,~~ Attention: Kelley A. Cornish, Esq. so as to be received no later than thirty (30) days after service of the earlier of (a) this notice of entry of the Confirmation Order, or (b) such other notice that the executory contract or unexpired lease has been rejected pursuant to an order of the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that pursuant to the Plan and Confirmation Order, each party to an executory contract or unexpired lease that is rejected, as set forth in the paragraph above, who does not file a proof of claim on account of such rejection as provided in the immediately preceding paragraph is forever barred from doing so and such claims and requests shall not be enforceable against any of the Debtors, the Reorganized Debtors, their successors, their assigns or their property.



PLEASE TAKE FURTHER NOTICE that all final applications for compensation of professional persons employed by the Debtors or the Committee pursuant to orders entered by this Court and on account of services rendered prior to the Confirmation Date and not subject to an application already pending before the Bankruptcy Court (including the reimbursement of the expenses of the members of the Committee) pursuant to sections 507(a)(1) or 503(b) of the Bankruptcy Code shall be filed with the Bankruptcy Court, 5th Floor, 824 Market Street, Wilmington, Delaware 19801 and served on (i) London Fog Industries, Inc., et al., 1700 Westlake Avenue North, Suite 200, Seattle, Washington 98109, Attention: Marv Toland, (ii) Sidley & Austin, 875 Third Avenue, New York, New York 10022, Attention: Kelley A. Cornish, Esq., (iii) Young Conaway Stargatt & Taylor LLP, 11<sup>th</sup> and Market Streets, The Wilmington Trust Center, 11<sup>th</sup> Floor, Wilmington Delaware 19801, Attention: Joel A. Waite, Esq., (iv) the Senior DIP Lender, Congress Financial Corporation, 1153 Avenue of the Americas, New York, New York 10036, Attention: Mr. Laurence S. Forte, (v) counsel to the Senior DIP Lender, Otterbourg, Houston, Steindler & Rosen, P.C., 230 Park Avenue, New York, New York 10169, Attention: Jonathan N. Helfat, Esq., (vi) the Subordinated DIP Agent, DDJ Capital Management, LLC, 141 Linden Street, Wellesley, Massachusetts, 02482, Attention: Mr. David Breazzano, Member, (vii) counsel to the Subordinated DIP Agent, Goodwin, Procter & Hoar, 53 State Street, Exchange Place, Boston, Massachusetts 02109-2881, Attention: Jon D. Schneider, Esq., (viii) the Creditors' Committee, c/o Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022, Attention: Thomas Moers Mayer, Esq., and (ix) the Office of the United States Trustee, 601 Walnut Street, The Curtis Center, Suite 950 West, Philadelphia, Pennsylvania 19106, Attention: Frank J. Perch III, Esq., so as to be received no later than the date that is twenty-five (25) days after the Effective Date at 4:00 p.m. Any such application that is not filed and served within this time shall be forever barred. Objections to any such application must be filed with the Bankruptcy Court and served on the parties previously identified in this paragraph within 15 days after receipt thereof.

PLEASE TAKE FURTHER NOTICE that service of this Confirmation Notice constitutes good and sufficient notice pursuant to Bankruptcy Rules 2002 and 3020 of entry of the Confirmation Order confirming the Plan and of the other relief granted in the Confirmation Order, and no other or further notice need be given.

YOUNG CONAWAY STARGATT & TAYLOR, LLP

SIDLEY & AUSTIN

---

Joel A. Waite (No. 2925)  
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11<sup>th</sup> Floor  
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Co-Counsel to the Debtors and  
Debtors-in-Possession

Dated: April \_\_, 2001

[attach finalized Plan Schedule 3.2]

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# EXHIBIT B

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re	)	Chapter 11
	)	
London Fog Industries, Inc., <u>et al.</u> ,	)	Case No. 99-3446 (PJW)
	)	
Debtors.	)	Jointly Administered
	)	

NOTICE OF OCCURRENCE OF EFFECTIVE DATE

PLEASE TAKE NOTICE that on [April 5, 2001], an Order (the "Confirmation Order") confirming the Amended Joint Plan of Reorganization dated February 2, 2001 (the "Plan") filed by London Fog Industries, Inc., a Delaware corporation ("LFI"), and certain subsidiaries of LFI, including Clipper Mist, Inc., London Fog Sportswear, Inc., Matthew Manufacturing Co., Inc., Pacific Trail, Inc., PTI Holding Corp., PTI Top Company, Inc., Star Sportswear Manufacturing Corp., The Mounger Corporation, The Scranton Outlet Corporation, and Washington Holding Company, each a debtor and debtor-in-possession herein (collectively, the "Debtors"), was entered by the Honorable Peter J. Walsh, Chief United States Bankruptcy Judge, and duly docketed and filed in the Office of the Clerk of the United States Bankruptcy Court for the District of Delaware. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Plan.

PLEASE TAKE FURTHER NOTICE that the Effective Date of the Plan occurred on [April 16, 2001].

PLEASE TAKE FURTHER NOTICE that the Confirmation Order requires that all requests for payment of administrative costs and expenses incurred prior to the Effective Date pursuant to sections 507(a)(1) and 503(b) of the Bankruptcy Code shall be filed with the Bankruptcy Court and served on the notice parties set forth in the Confirmation Order so as to be received no later than May 11, 2001 at 4:00 p.m. Any such request that is not filed and served within this time shall be forever barred.

PLEASE TAKE FURTHER NOTICE that pursuant to the Plan and Confirmation Order, each executory contract and unexpired lease entered into by any of the Debtors prior to the Petition Date shall be rejected pursuant to section 365 of the Bankruptcy Code, except for any executory contract or unexpired lease that (i) previously has been rejected or assumed by order of the Bankruptcy Court, (ii) is the subject of a motion to assume filed on or before the Confirmation Date, or (iii) is listed on the schedule of assumed contracts and leases annexed as Plan Schedule 3.2.

~~PLEASE TAKE FURTHER NOTICE that all proofs of claim with respect to claims arising from~~  
the rejection of any executory contract or unexpired lease, as set forth in the paragraph above, must be filed with the clerk of the Bankruptcy Court, 5th Floor, 824 Market Street, Wilmington, Delaware 19801 and served on counsel to the Debtors, Sidley & Austin, 875 Third Avenue, New York, New York 10022, Attention: Kelley A. Cornish, Esq. so as to be received no later than thirty (30) days after service of the earlier of (a) notice of entry of the Confirmation Order, or (b) such other notice that the executory contract or unexpired lease has been rejected pursuant to an order of the Bankruptcy Court. Any such request that is not filed and served within this time shall be forever barred.

PLEASE TAKE FURTHER NOTICE that copies of the Plan and the Confirmation Order may be obtained from the Clerk of the Bankruptcy Court or from counsel to the Debtors listed below.

**YOUNG CONAWAY STARGATT & TAYLOR, LLP**

Joel A. Waite (No. 2925)

Michael R. Nestor (No. 3526)

11<sup>th</sup> Floor

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(212) 906-2000

Co-Counsel to the Debtors and  
Debtors-in-Possession

Dated: April \_\_, 2001

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
London Fog Industries, Inc., <u>et al.</u> ,	)	Case No. 99-3446 (PJW)
	)	
Debtors.	)	(Jointly Administered)

**DEBTORS' AMENDED JOINT PLAN OF REORGANIZATION**

**Dated: February 2, 2001**

Larry J. Nyhan  
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Dana P. Kane  
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Co-Counsel to Debtors and Debtors-in-Possession

# TABLE OF CONTENTS

	Page
INTRODUCTION.....	2
 <b>ARTICLE I</b>	
DEFINITIONS; INTERPRETATION.....	2
1.1    Definitions.....	2
1.2    Interpretation .....	11
1.3    Computation of Time.....	11
 <b>ARTICLE II</b>	
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS.....	11
2.1    Administrative Claims.....	12
2.2    Priority Tax Claims.....	12
2.3    Senior DIP Facility Claim.....	12
2.4    Subordinated DIP Facility Claim.....	12
2.5    Class 1 Claims (Priority Claims).....	13
2.6    Class 2 Claims (Secured Claims arising under or related to the Senior Subordinated Notes).....	13
2.7    Class 3 Claims (Secured Claim of the Eldersburg Mortgagee).....	13
2.8    Class 4 Claims (Miscellaneous Secured Claims).....	14
2.9    Class 5(a) Claims (Unsecured Claims Against LFI).....	14
2.10   Class 5(b) Claims (Unsecured Claims Against Pacific Trail).....	15
2.11   Class 5(c) Claims (Unsecured Claims Against Scranton Outlet).....	15
2.12   Class 6 Claims (Convenience Claims).....	16
2.13   Class 7 Claims and Interests (Common Stock Claims and Interests).....	16
2.14   Class 8 Claims and Interests (Intercompany Claims and Subsidiary Interests).....	17
 <b>ARTICLE III</b>	
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES.....	17
3.1    Rejected Contracts and Leases.....	17
3.2    Assumed Contracts and Leases.....	17
3.3    Miscellaneous.....	18
3.4    Payments Related to Assumption of Executory Contracts and Unexpired Leases.....	18
3.5    Post-Petition Contracts and Leases.....	18
3.6    Rejection Damages Bar Date.....	19

## ARTICLE IV

CONDITIONS PRECEDENT .....	19
4.1 Conditions to Occurrence of Effective Date .....	19
4.2 Waiver of Conditions to Consummation .....	19
4.3 Non-consensual Confirmation.....	19

## ARTICLE V

IMPLEMENTATION OF PLAN .....	19
5.1 Pre-Effective Date Management and Operation of Debtors .....	19
5.2 Continuation of Creditors' Committee .....	20
5.3 Pre-Effective Date Injunctions or Stays.....	20
5.4 Merger/Dissolution .....	20
5.5 Amended Certificates of Incorporation and Bylaws.....	20
5.6 Corporate Governance .....	20
5.7 Cancellation of Common Stock .....	21
5.8 Exit Financing Facilities and Restructured Eldersburg Mortgage .....	21
5.9 Issuance of New LFI Common Stock.....	21
5.10 Plan Oversight Committee .....	21
5.11 Effectuating Documents; Further Transactions.....	22
5.12 Exemption From Certain Transfer Taxes.....	22
5.13 Employment, Retirement, Indemnification and Incentive Compensation Programs .....	22
5.14 Continuation of Pension Plan .....	23

## ARTICLE VI

DISTRIBUTIONS AND CLAIMS ALLOWANCE .....	24
6.1 Timing of Distributions.....	24
6.2 Cash Distributions .....	24
6.3 Distributions by Disbursing Agent.....	24
6.4 Procedure For Determination of Claims and Interests.....	27

## ARTICLE VII

EFFECT OF THE PLAN ON CLAIMS AND INTERESTS .....	27
7.1 Revesting of Assets.....	27
7.2 Discharge of Claims and Termination of Interests.....	28
7.3 Injunctions.....	28
7.4 Termination of Subordination Rights and Settlement of Related Claims and Controversies.....	29



7.5	Limitation of Liability.....	29
7.6	Releases.....	30
7.7	Setoff.....	31

**ARTICLE VIII**

MISCELLANEOUS PROVISIONS.....	31
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8.1	Retention of Jurisdiction.....	31
8.2	Retention and Enforcement Of Causes Of Action.....	32
8.3	Terms Binding.....	32
8.4	Additional Terms of Securities and Other Instruments.....	33
8.5	Post-Consummation Effect of Evidences of Claims or Interests.....	33
8.6	Distribution Dates.....	33
8.7	Successors and Assigns.....	33
8.8	Plan Controls.....	33
8.9	Governing Law.....	33
8.10	Severability.....	33
8.11	Incorporation by Reference.....	33
8.12	Revocation, Withdrawal or Non-Consummation.....	33
8.13	Notice.....	34

London Fog Industries, Inc. ("LFI"), Clipper Mist, Inc., London Fog Sportswear, Inc., Matthew Manufacturing Co., Inc., Pacific Trail, Inc. ("Pacific Trail"), PTI Holding Corp. ("PTI Holding"), PTI Top Company, Inc. ("PTI Top"), Star Sportswear Manufacturing Corp., The Mounger Corporation ("Mounger"), The Scranton Outlet Corporation ("Scranton Outlet") and Washington Holding Company, each a debtor and debtor-in-possession herein (collectively, the "Debtors"), hereby propose the following Amended Joint Plan of Reorganization (the "Plan").

## INTRODUCTION

This Plan provides for a reorganization of the Debtors pursuant to which, among other things: (i) holders of secured Subordinated Noteholder Claims (as defined below) will receive approximately 88% of the common equity of the reorganized Debtors; (ii) holders of unsecured claims, including holders of Subordinated Noteholder Claims in their capacities as holders of Deficiency Claims (as defined below), will receive (a) approximately 12% of the common equity of the reorganized Debtors, plus (b) recoveries (if any) obtained by the Debtors in respect of Avoidance Actions (as defined below); and (iii) Interests in the Debtors will be cancelled.

Reference is made to the Disclosure Statement accompanying this Plan, including the exhibits thereto, for a discussion of the Debtors' history, business, properties, results of operations, and projections for future operations and risk factors, together with a summary and analysis of this Plan. All creditors are encouraged to consult the Disclosure Statement and to read this Plan carefully before voting to accept or reject this Plan.

NO SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT AND RELATED MATERIALS TRANSMITTED THEREWITH AND APPROVED BY THE BANKRUPTCY COURT, HAVE BEEN AUTHORIZED BY THE BANKRUPTCY COURT FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THIS PLAN.

## ARTICLE I

### DEFINITIONS; INTERPRETATION

#### 1.1 Definitions.

In addition to such other terms as are defined in other Sections of this Plan, the following terms (which appear in this Plan as capitalized terms) shall have the meanings set forth below. A term used in this Plan and not defined in this Plan but that is defined in the Code has the meaning set forth in the Code.

"Administrative Claim" means a Claim to the extent that it is of the kind described in section 503(b) of the Code and is entitled to priority under section 507(a)(1) of the Code, including, without limitation, (a) any actual and necessary expenses of preserving the Estate, (b) any actual and necessary expenses of operating the business of the Debtors, (c) any

## CLASSIFIED CLAIMS AGAINST AND INTERESTS IN THE DEBTORS

### 2.5 Class 1 Claims (Priority Claims).

A. Classification. Class 1 consists of all Priority Claims against any of the Debtors.

B. Allowance. Claims in Class 1 shall be allowed or disallowed in accordance with Section 6.4(B) of this Plan and applicable provisions of the Code and Bankruptcy Rules.

C. Treatment. Unless otherwise agreed by the holder of an Allowed Priority Claim (in which event such agreement shall govern), allowed Claims in Class 1 shall be paid in full in cash on the later of the Effective Date and a date that is as soon as practicable after the date upon which such Claim becomes an Allowed Priority Claim.

D. Impairment and Voting. Class 1 Claims are unimpaired and the holders thereof are not entitled to vote on this Plan.

### 2.6 Class 2 Claims (Secured Claims arising under or related to the Senior Subordinated Notes).

A. Classification. Class 2 consists of all Secured Claims against any of the Debtors arising under or related to the Senior Subordinated Notes, the Senior Subordinated Note Indenture and related agreements.

B. Allowance. Class 2 Claims shall be Allowed Claims in the amount of \$34,800,000.00.

C. Treatment. On the Initial Distribution Date with respect to each Allowed Claim in Class 2, the holder thereof shall receive, in full satisfaction of such Claim, its Class 2 Pro Rata Share of the number of shares contained in the Class 2 Stock Pool on the Effective Date.

D. Impairment and Voting. Class 2 Claims are impaired and the holders thereof are entitled to vote on this Plan.

### 2.7 Class 3 Claims (Secured Claim of the Eldersburg Mortgagee).

A. Classification. Class 3 consists of all Secured Claims against any of the Debtors arising under or related to the Eldersburg Note, the Eldersburg Mortgage and related agreements.

B. Allowance. Claims in Class 3 shall be allowed or disallowed in accordance with Section 6.4(B) of this Plan and applicable provisions of the Code and Bankruptcy Rules.

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
London Fog Industries, Inc., et al., ) Case No. 99-3446 (PJW)  
)  
Debtors. ) (Jointly Administered)

**DISCLOSURE STATEMENT TO DEBTORS'  
AMENDED JOINT PLAN OF REORGANIZATION**

**February 2, 2001**

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LONDON FOG SPORTSWEAR, INC.  
MATTHEW MANUFACTURING CO., INC.  
PACIFIC TRAIL, INC.  
PTI HOLDING CORP.  
PTI TOP COMPANY, INC.  
STAR SPORTSWEAR MANUFACTURING CORP.  
THE MOUNGER CORPORATION  
THE SCRANTON OUTLET CORPORATION  
WASHINGTON HOLDING COMPANY**

**Debtors and Debtors-in-Possession**

# Table of Contents

## Page

<b>I.</b>	<b>EXECUTIVE SUMMARY</b> .....	<b>5</b>
A.	Overview .....	5
B.	The Debtors .....	6
C.	The Disclosure Statement; Voting Requirements .....	6
D.	Sources of Information.....	8
E.	General Terms of the Treatment Under the Plan of Holders of Claims and Interests .....	8
F.	Conditions to Effectiveness of the Plan .....	11
<b>II.</b>	<b>DESCRIPTION OF THE DEBTORS</b> .....	<b>11</b>
A.	Background Information Regarding the Debtors .....	11
1.	Overview of the Debtors' History and Operations .....	11
2.	Sales and Marketing.....	15
3.	Production.....	16
4.	Licensing.....	17
5.	Trademarks .....	18
6.	Assets of the Debtors.....	18
B.	The Debtors' Operations in Chapter 11 .....	19
1.	Overview of the Debtors' Operations .....	19
2.	Retention of Professionals and Appointment of Creditors' Committee.....	19
3.	Operating Results During Chapter 11 .....	21
4.	Summary of Significant Orders Entered and Other Actions Taken During the Cases .....	21
5.	Potential Sale of Debtors' Business .....	39
6.	Current Executive Officers and Directors .....	40
<b>III.</b>	<b>FUTURE BUSINESS OF THE REORGANIZED DEBTORS</b> .....	<b>42</b>
A.	Structure, Capitalization and Business of the Reorganized Debtors.....	42
B.	Executive Officers and Directors of the Reorganized Debtors .....	42
C.	Projected Financial Information.....	42
1.	Risk Factors .....	43
<b>IV.</b>	<b>SUMMARY OF THE PLAN OF REORGANIZATION</b> .....	<b>46</b>
A.	Brief Explanation of Chapter 11 Plan of Reorganization .....	47
B.	Classification and Treatment of Claims and Interests .....	47
1.	General.....	47
2.	Treatment of Unclassified Claims.....	49
3.	Treatment of Classified Claims and Interests .....	50

C.	Conditions to Effective Date .....	57
D.	Executory Contracts and Unexpired Leases .....	57
1.	General .....	57
2.	Assumption and Rejection of Executory Contracts and Unexpired Leases .....	58
3.	Payments Related to Assumption of Executory Contracts and Unexpired Leases .....	58
4.	Post-Petition Contracts and Leases .....	59
5.	Rejection Damages Bar Date .....	59
E.	Implementation of the Plan .....	59
1.	Corporate Governance .....	59
2.	Cancellation of Common Stock .....	59
3.	Exit Financing Facilities and Restructured Eldersburg Mortgage .....	59
4.	Issuance of New LFI Common Stock .....	60
5.	Plan Oversight Committee .....	60
6.	Employment, Retirement, Indemnification and Incentive Compensation Programs .....	60
7.	Continuation of Pension Plan .....	62
F.	Distributions Under the Plan .....	62
1.	Distributions by Disbursing Agent .....	62
2.	Cash Distributions to Holders of Allowed Class 6 Claims .....	64
3.	Undeliverable Distributions .....	64
G.	Procedure For Determination of Claims and Interests .....	64
1.	Bar Date For Certain Administrative Claims .....	64
2.	Objections To Claims .....	65
H.	Effect of the Plan on Claims and Interests .....	65
1.	Revesting of Assets .....	65
2.	Discharge of Claims and Termination of Interests .....	65
3.	Injunctions .....	66
4.	Limitation of Liability .....	66
5.	Releases .....	67
I.	Miscellaneous Provision .....	68
1.	Retention of Jurisdiction .....	68
2.	Retention and Enforcement Of Causes Of Action .....	69
3.	Plan Controls .....	69
4.	Severability .....	69
5.	Revocation, Withdrawal or Non-Consummation .....	69
J.	Exemption From Securities Laws .....	70
1.	Bankruptcy Code Exemption From Registration Requirements .....	70
V.	<b>CERTAIN FEDERAL INCOME TAX CONSEQUENCES .....</b>	<b>72</b>
A.	General Tax Considerations .....	72
B.	Tax Consequences to the Debtors .....	73
C.	Federal Income Tax Consequences to Holders of Claims and Interests .....	76
1.	Allowed Claims in Classes 1 and 4 .....	76
2.	Allowed Claims in Classes 2, 5(a), 5(b) and 5(c) .....	76

3.	Allowed Claims in Class 6 .....	79
4.	Class 7 Claims and Interests .....	80
D.	Withholding .....	80
<b>VI.</b>	<b>CONFIRMATION OF THE PLAN UNDER THE CODE .....</b>	<b>80</b>
A.	The Confirmation Hearing and Objections .....	80
B.	Confirmation Requirements Under the Code .....	81
C.	Satisfaction of Conditions Precedent to Confirmation Under the Code .....	84
1.	Best Interests of Claim Holders .....	84
2.	Feasibility of the Plan .....	94
3.	Acceptance by Impaired Classes .....	95
4.	Confirmation Without Acceptance by All Impaired Classes .....	95
D.	Voting Instructions .....	96
<b>VII.</b>	<b>POTENTIAL AVOIDANCE ACTIONS .....</b>	<b>100</b>
A.	Fraudulent Transfers .....	100
B.	Preferences .....	100
1.	Preference Analysis of Bondholder Liens .....	101
2.	Other Potential Preferences .....	102
<b>VIII.</b>	<b>ALTERNATIVES TO THE PLAN .....</b>	<b>103</b>
<b>IX.</b>	<b>RECOMMENDATION .....</b>	<b>104</b>
<b>X.</b>	<b>CONCLUSION .....</b>	<b>105</b>

## INTRODUCTORY STATEMENT/DISCLAIMER

THIS DISCLOSURE STATEMENT CONTAINS A SUMMARY OF CERTAIN PROVISIONS OF THE DEBTORS' JOINT PLAN OF REORGANIZATION DATED AS OF DECEMBER 28, 2000, AS AMENDED ON FEBRUARY 2, 2001, PROPOSED BY LONDON FOG INDUSTRIES, INC. AND CERTAIN SUBSIDIARIES OF LONDON FOG INDUSTRIES, INC., AS DEBTORS AND DEBTORS-IN-POSSESSION (COLLECTIVELY, THE "DEBTORS"), AND SUMMARIES OF CERTAIN OTHER DOCUMENTS RELATING TO THE CONSUMMATION OF THE PLAN OR THE TREATMENT OF CERTAIN PARTIES IN INTEREST, AND CERTAIN FINANCIAL INFORMATION RELATING THERETO.

WHILE THE DEBTORS BELIEVE THAT THE SUMMARIES CONTAINED HEREIN PROVIDE ADEQUATE INFORMATION WITH RESPECT TO THE DOCUMENTS SUMMARIZED, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS. BEFORE CASTING A BALLOT, EACH HOLDER OF AN IMPAIRED CLAIM SHOULD REVIEW THE ENTIRE PLAN. THE TERMS OF THE PLAN GOVERN IN THE EVENT OF ANY INCONSISTENCY WITH THE SUMMARIES CONTAINED IN THIS DISCLOSURE STATEMENT.

NO PARTY IS AUTHORIZED BY THE DEBTORS TO PROVIDE ANY INFORMATION TO THE DEBTORS' CREDITORS WITH RESPECT TO THE PLAN OTHER THAN THAT CONTAINED IN THIS DISCLOSURE STATEMENT. OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS, THEIR ANTICIPATED FINANCIAL POSITION OR OPERATIONS AFTER CONFIRMATION OF THE PLAN OR THE VALUE OF THEIR BUSINESS AND PROPERTY. TO THE EXTENT INFORMATION IN THIS DISCLOSURE STATEMENT RELATES TO THE DEBTORS, THE DEBTORS OR THEIR ADVISORS HAVE PROVIDED THE INFORMATION IN THIS DISCLOSURE STATEMENT.

THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR PURPOSES OF VOTING TO ACCEPT OR REJECT THE PLAN OR OBJECTING TO CONFIRMATION. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PERSON OR ENTITY FOR ANY OTHER PURPOSE.

THE DEADLINE FOR VOTING TO ACCEPT OR REJECT THE PLAN IS 4:00 P.M., PREVAILING EASTERN TIME, ON MARCH 23, 2001, UNLESS EXTENDED.

NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT, EXPRESS OR IMPLIED, IS INTENDED TO GIVE RISE TO ANY COMMITMENT OR OBLIGATION OF THE DEBTORS OR CONFERS UPON ANY PERSON ANY RIGHTS, BENEFITS OR REMEDIES OF ANY NATURE WHATSOEVER (OTHER THAN AS SET FORTH IN THE PLAN), NOR SHOULD THE CONTENTS OF THIS DISCLOSURE STATEMENT BE



(c) *Pre-Petition Credit Agreement.* The three Debtors currently conducting business – LFI, Pacific Trail, and Scranton Outlet (the “Borrowers”) – executed a Loan and Security Agreement dated May 15, 1997 (as amended, the “Pre-Petition Credit Agreement”) with Congress Financial Corporation (the “Pre-Petition Lender”), which facility was to mature on April 30, 2001. The obligations outstanding under the Pre-Petition Credit Agreement, which contained customary covenants, restrictions and events of default, were secured by substantially all of the assets of the Borrowers. As of September 20, 1999, the Borrowers had outstanding revolving credit borrowings of approximately \$117 million and outstanding letters of credit of approximately \$5.6 million. As further security for the Borrowers’ obligations under the Pre-Petition Credit Agreement, each of the subsidiaries of LFI that was not a Borrower thereunder guaranteed the Borrowers’ obligations under the Pre-Petition Credit Agreement and granted to the Pre-Petition Lender a lien on, and security interest in, all of its assets (including any stock owned by it) to secure such guaranty.

(d) *Senior Subordinated Notes.* LFI also is party to an Indenture dated as of February 27, 1998 (the “Indenture”) with IBJ Whitehall Bank & Trust Company,<sup>6</sup> as Trustee (the “Indenture Trustee”), pursuant to which LFI issued \$100,000,000 of 10% Senior Subordinated Notes due February 27, 2003 (the “Senior Subordinated Notes”). Interest on the Senior Subordinated Notes was payable semi-annually on March 1 and September 1. Pursuant to an Intercreditor and Subordination Agreement dated as of February 27, 1998 (the “Subordination Agreement”), the Senior Subordinated Notes were subordinated in right of payment to all borrowings under the Pre-Petition Credit Agreement. The Senior Subordinated Notes were guaranteed by each of LFI’s subsidiaries and each of LFI and its subsidiary guarantors granted to the Indenture Trustee of the benefit of the holders of the Senior Subordinated a security interest in substantially all of its respective assets and pledged to the Indenture Trustee for the benefit of the holders of Senior Subordinated Notes (each, a “Subordinated Noteholder”) all capital stock owned by it. In accordance with the terms of the Subordination Agreement, these security interests were subordinate in priority to the security interests held by the Pre-Petition Lender.

On March 1, 1999, LFI failed to make a scheduled interest payment on the Senior Subordinated Notes in the amount of \$5 million. The grace period on the March 1, 1999 interest payment under the Indenture governing the Senior Subordinated Notes was extended by agreement through April, 1999. The Debtors, however, failed to obtain any further extensions of the March 1, 1999 interest payment date under the Indenture. By a letter dated July 7, 1999, the Indenture Trustee declared an event of default under the Indenture for non-payment of interest on the Senior Subordinated Notes.

(e) *Eldersburg Mortgage.* In addition to their secured obligations under the Pre-Petition Credit Agreement and the Indenture, LFI’s predecessor-in-interest, Londontown Corporation, became indebted to General Electric Capital Business Asset Funding Corporation (the “Eldersburg Mortgagee”) in the approximate principal amount of \$10.5 million,

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<sup>6</sup> Formerly known as IBJ Schroder Bank & Trust Company.

Classes 2, 3, 5(a), 5(b), 5(c), 6, 7 and 8 are impaired under the Plan. The Debtors believe that the treatment afforded all Classes of Claims and Interests under the Plan fully comports with the requirements of the Code and case law.

(a) Class 1 – Priority Claims.

- *Description of Priority Claims.* Allowed Claims against any of the Debtors, if any, entitled to priority pursuant to sections 507(a)(3), 507(a)(4) or 507(a)(6) of the Code are Priority Claims. Such Claims include claims for (a) wages, salaries or commissions earned within 90 days before the Petition Date up to \$4,000 per individual or corporation, and (b) contributions to employee benefit plans, such as pension or health or life insurance plans, arising from services rendered within 180 days prior to the Petition Date subject to certain limits.

- *Classification Scheme.* Allowed Priority Claims are classified in Class 1. Most liquidated Class 1 Claims already have been paid pursuant to orders entered by the Bankruptcy Court. The aggregate estimated amount of the remaining Allowed Class 1 Claims as of December 28, 2000 is \$9,304.

- *Treatment.* Unless otherwise agreed by the holder of an Allowed Priority Claim, each Allowed Class 1 Claim will be paid in full in Cash on the later of the Effective Date and a date that is soon as practicable after the date upon which such Claim becomes an Allowed Priority Claim.

(b) Class 2 – Secured Subordinated Noteholder Claims.

- *Description of Secured Subordinated Noteholder Claims.* The portion of each Allowed Claim arising under a Senior Subordinated Note that is secured by valid, perfected and enforceable liens on property of the Debtors constitutes a Secured Subordinated Note Claim.

- *Classification Scheme.* The Allowed Secured Subordinated Noteholder Claims are classified in Class 2. The aggregate estimated amount of the Allowed Class 2 Claims as of December 28, 2000 is \$34,800,000.

- *Treatment.* On the Initial Distribution Date with respect to each Allowed Secured Subordinated Noteholder Claim, the holder thereof will receive, in full satisfaction, release and discharge of such Claim, its Class 2 Pro Rata Share of the number of shares contained in the Class 2 Stock Pool on the Effective Date. The Debtors estimate that the Allowed Class 2 Claims will receive approximately 88% of the common equity of Reorganized LFI in full satisfaction, release and discharge of the Allowed Secured Subordinated Noteholder Claims.