

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

RELEASE BY SECURED PARTY

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
TCW Capital, as Manager		02/22/1999	unknown:
TCW Special Placements Fund II		02/22/1999	CORPORATION:
Mezzanine Capital		02/22/1999	unknown:
TCW Capital, as Investment Manager		02/22/1999	unknown:

RECEIVING PARTY DATA

Name:	Wintersilks, Inc.
Also Known As:	AKA The White Pine Company, Ltd.
Street Address:	2700 Laura Lane
City:	Middleton
State/Country:	WISCONSIN
Postal Code:	53562
Entity Type:	CORPORATION:

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	1523579	WINTERSILKS

CORRESPONDENCE DATA

Fax Number: (561)659-6313

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

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ATTORNEY DOCKET NUMBER:

7150-42

TRADEMARK

900060782

REEL: 003414 FRAME: 0001

CH \$40.00 1523579

NAME OF SUBMITTER:	Jennifer Parkins Rabin
Signature:	/Jennifer Parkins Rabin/
Date:	10/23/2006
<p>Total Attachments: 32</p> <p>source=7150-43#page1.tif</p> <p>source=7150-43#page2.tif</p> <p>source=7150-43#page3.tif</p> <p>source=7150-43#page4.tif</p> <p>source=7150-43#page5.tif</p> <p>source=7150-43#page6.tif</p> <p>source=7150-43#page7.tif</p> <p>source=7150-43#page8.tif</p> <p>source=7150-43#page9.tif</p> <p>source=7150-43#page10.tif</p> <p>source=7150-43#page11.tif</p> <p>source=7150-43#page12.tif</p> <p>source=7150-43#page13.tif</p> <p>source=7150-43#page14.tif</p> <p>source=7150-43#page15.tif</p> <p>source=7150-43#page16.tif</p> <p>source=7150-43#page17.tif</p> <p>source=7150-43#page18.tif</p> <p>source=7150-43#page19.tif</p> <p>source=7150-43#page20.tif</p> <p>source=7150-43#page21.tif</p> <p>source=7150-43#page22.tif</p> <p>source=7150-43#page23.tif</p> <p>source=7150-43#page24.tif</p> <p>source=7150-43#page25.tif</p> <p>source=7150-43#page26.tif</p> <p>source=7150-43#page27.tif</p> <p>source=7150-43#page28.tif</p> <p>source=7150-43#page29.tif</p> <p>source=7150-43#page30.tif</p> <p>source=7150-43#page31.tif</p> <p>source=7150-43#page32.tif</p>	

In the Matter of:

99 FEB 22 AM 11:18

In Bankruptcy No.

WINTERSILKS, INC.,

CLERK, U.S.
BANKRUPTCY COURT

98-33887-11

Debtor. WD OF WI CASE NO. _____

ORDER CONFIRMING PLAN

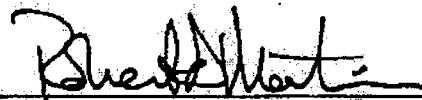
The First Amended Plan of Reorganization under Chapter 11 of the Bankruptcy Code filed by WinterSilks, Inc., the Debtor-in-Possession, on January 14, 1999, having been modified by the First Amended Modified Plan of Reorganization, filed on February 19, 1998 at the request of the U.S. Trustee (the "Plan"), having been transmitted to the Creditors and Equity Security Holders; and

It having been determined after hearing on notice that the requirements for confirmation set forth in 11 U.S.C. § 1129(a) and (b) have been satisfied;

IT IS ORDERED that the Plan filed by WinterSilks, Inc. on February 19, 1999 be and hereby is confirmed.

Dated this 22 day of February, 1999.

BY THE COURT:



Robert D. Martin, Chief Bankruptcy Judge

In the Matter of:

99 FEB 22 AM 11:18 In Bankruptcy No.
98-33887-11

WINTERSILKS, INC.,

CLERK, U.S.
BANKRUPTCY COURT

Debtor. WD OF WI CASE NO. _____

**FINDINGS OF FACT AND CONCLUSIONS OF LAW
IN SUPPORT OF ORDER CONFIRMING PLAN**

The First Amended Plan of Reorganization under Chapter 11 of the Bankruptcy Code (the "Code") filed by WinterSilks, Inc. (the "Debtor") on January 14, 1999, having been transmitted to creditors, equity security holders, and other parties in interest, and having been modified by the First Amended Modified Plan of Reorganization filed on February 19, 1999 (the "Plan") at the request of the U.S. Trustee, and after hearing on notice, the Court makes the following

FINDINGS OF FACT:

1. The Plan has been accepted in writing by two Classes of impaired creditors.
2. The Plan has been proposed in good faith and not by any means forbidden by law.
3. Each holder of a claim or interest will receive or retain under the Plan property of a value, as of the effective date of the Plan, that is not less than the amount that such holder would receive or retain if the Debtor were liquidated under Chapter 7 of the Code.
4. All payments made or promised by the Debtor for services or for costs and expenses in, or in connection with, the Plan and incident to the case, have been fully disclosed to the Court and are reasonable, or if to be fixed after confirmation of the Plan, will be subject to the approval by the Court.

5. The identity, qualifications, and affiliations of the persons who are to manage the Debtor's affairs after confirmation of the Plan have been fully disclosed, and the appointment of such persons to such positions, or their continuance therein, is equitable and consistent with the interests of the creditors and equity security holder, and with public policy.

6. The identity of any insider who will be employed or retained by the Debtor after confirmation of the Plan and his/her compensation have been fully disclosed.

7. Confirmation of the Plan is not likely to be followed by the liquidation (other than as is proposed in the Plan) of any of the estate's property, nor is it likely the confirmation of the Plan will be followed by the need for further reorganization of the Debtor.

And, the Court makes the following

CONCLUSIONS OF LAW

8. The provisions of Chapter 11 of the Code have been complied with by the Debtor, and the Plan complies with the provisions of Chapter 11.

9. The Plan does not discriminate unfairly, and is fair and equitable with respect to each Class of claims or interests that are impaired under the Plan and had not accepted the Plan in writing.

10. The Plan may be confirmed.

Dated effective this 22 day of February, 1999.

BY THE COURT:



Robert D. Martin, Chief Bankruptcy Judge

FILED/REC'D

In the Matter of:

99 FEB 19 PM 2:45

In Bankruptcy No.
98-33887-11

WINTERSILKS, INC.,

CLERK U.S.
BANKRUPTCY COURT

Debtor WD OF WI CASE NO. _____

COPY

**FIRST AMENDED MODIFIED PLAN OF REORGANIZATION
OF WINTERSILKS, INC.**

WinterSilks, Inc. ("WinterSilks", "Debtor", "Debtor-in-Possession"), the above captioned Debtor, hereby proposes the following First Amended Modified Plan of Reorganization (the "Plan") pursuant to the provisions of Chapter 11 of Title 11, U.S.C. (the "Code") for the resolution of the Debtor's outstanding Creditors' claims and Equity Holders' interests. All Creditors and Equity Holders are encouraged to consult the Debtor's Court-approved First Amended Disclosure Statement (the "Disclosure Statement") relating to this Plan 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 Court, have been authorized by the Court for use in soliciting acceptances or rejections of this Plan.

ARTICLE I.**DEFINITIONS****1.1. Certain Definitions**

In addition to such other terms defined in other sections of this Plan, the following terms (which appear in this Plan as capitalized terms) have the following meanings as used in this Plan.

- a. "Actions" means all manner of Claims, actions, causes of action, suits, controversies, liens, subordinations, damages, judgments, executions, torts, liabilities,

obligations, avoiding powers, counterclaims, offsets, adversary proceedings and demands.

b. "Administrative Claim" means an Allowed Claim of the kind described in §§ 364(a), 364(b), 507(a)(1), 507(b), or 1114(e)(2) of the Code, or a cost or expense of administration of the Reorganization Case allowed under §§ 503(b) or 546(c)(2)(A) of the Code, including, but not limited to, any actual and necessary costs and expenses of preserving the Estate, any actual and necessary expenses of operating the business of the Debtor, all compensation of any professionals including all allowances of compensation or reimbursement of expenses to the extent allowed by the Court under §§ 330 and 331 of the Code, and any fees or charges assessed against the Estate under 28 U.S.C. § 1930.

c. "Allowed Claim" means a Claim or a portion of a Claim to the extent that:

(1) such Claim has not been withdrawn, paid in full, or otherwise deemed satisfied in full;

(2) (a) proof of such Claim was Filed on or before the date designated by the Court as the last date for filing proofs of Claim (or, if not Filed by such date, any Claim Filed with leave of the Court, after notice and a hearing) or

(b) if no proof of such Claim is timely Filed, such Claim has been or hereafter is listed by the Debtor in its Schedules as liquidated in amount, not disputed and not contingent; and

(3) such Claim is not a Disputed Claim or, if such Claim is a Disputed Claim, such Claim is allowed by a Final Order.

Except with respect to the GWI Secured Claims, "Allowed Claim" shall not include interest on the principal amount of such Claim accruing from and after the Filing Date, unless provided for by the Code.

d. "ANB" means American National Bank and Trust Company of Chicago.

e. "Bar Date" means January 22, 1999 as the last date for all Claims to be Filed with this Court, unless a later date is established by Court Order concerning specific Claims.

f. "Case" means Reorganization Case.

g. "Cash" means all cash and cash equivalents which evidence immediately available funds.

h. "Chapter 11" means Chapter 11 of Title 11, United States Bankruptcy Code.

i. "Claim" means any claim, as that term is defined in § 101(5) of the Code, and shall include, without limitation, any claim of whatever type or description against the Debtor, any claim against the Debtor for pre-petition interest, post-petition interest or contingent interest, any claim against the Debtor arising out of the rejection of executory contracts, any claim against the Debtor arising from the recovery of property under §§ 522(i), 550 or 553 of the Code, and any claim against the Debtor that does not arise until after the commencement of this Reorganization Case for a tax entitled to priority under § 507(a) of the Code, whether or not such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, or consists of any right arising before the Confirmation Date to an equitable remedy for breach of performance, if such breach gives rise to a right to payment from the Debtor, whether or not such right

is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured.

j. "Class" means a group of Claims or Interests, consisting of Claims or Interests which are substantially similar to each other, as classified in the Plan.

k. "Code" means 11 U.S.C. § 101, et. seq. (i.e., the Bankruptcy Code), as it was in effect on the Filing Date, as amended by any amendments applicable to the Reorganization Case.

l. "Confirmation" means the entry of the Confirmation Order by the Court.

m. "Confirmation Date" means the date on which the Confirmation Order is signed and entered by the Court.

n. "Confirmation Order" means the Order of the Court confirming the Plan pursuant to § 1129 of the Code.

o. "Court" means the United States Bankruptcy Court for the Western District of Wisconsin, including the United States Bankruptcy Judge presiding in the Case, or such other court that exercises jurisdiction over the Reorganization Case or any proceeding therein, including the United States District Court for the Western District of Wisconsin to the extent reference of the Reorganization Case or any proceeding therein is withdrawn.

p. "Creditor" means any person or entity who holds a Claim of any sort or character whatsoever that is found to be allowable in the Case.

q. "Creditors' Committee" means the Official Unsecured Creditors' Committee appointed by the U.S. Trustee for WinterSilks, the members thereof, and any successor members.

- r. "Debtor" means WinterSilks, Inc., also herein referred to as "the Company", "WinterSilks" and "the Debtor-in-Possession".
- s. "Debtor-in-Possession" means the Debtor, when exercising its rights, powers and duties under § 1107(a) of the Code, at all times since the Filing Date.
- t. "December 9 Agreement" means the agreement as defined in Section III,C,3 of this document.
- u. "Disallowed Claim" means any Claim which has been disallowed by a Final Order.
- v. "Disclosure Statement" means the Disclosure Statement approved by the Court for distribution to Creditors that relates to the Plan.
- w. "Disputed Claim" means:
- (1) any Claim or portion of a Claim which is scheduled by the Debtor as disputed, contingent or unliquidated, or
 - (2) a Claim which has been Filed pursuant to § 501(a) of the Code as unliquidated or contingent, or
 - (3) a Claim which has been Filed pursuant to § 501(a) of the Code and as to which a timely objection to the allowance thereof has been interposed prior to the Confirmation Date or within such other time limitation fixed by the Code, by an order of the Court, or by the Plan, which objection has not been determined, in whole or in part, by a Final Order.
- Any application, motion, complaint, or any other legal pleading Filed by the Debtor or such other party, as may be authorized by the Court, prior to the 20th day before the scheduled Confirmation Date seeking to disallow, reduce or subordinate a Claim shall be deemed an objection thereto.

- x. "Distribution Date" means the day after the Confirmation Date.
- y. "Effective Date" means the date on which the Confirmation Order is signed.
- z. "Equity" and "Equity Holders" means Holders of or owners of Common Stock in WinterSilks as of the date hereof.
- aa. "Estate" means the estate created in the Reorganization Case by § 541 of the Code.
- ab. "Existing Common Stock" means the common stock of the Company held by Jay Saftchick, Vig, John Reindl, and Venus outstanding as of the date hereof.
- ac. "Filed" means filed with the Court in this Reorganization Case.
- ad. "Filing Date" means the date the Debtor Filed its Petition in this Case (i.e., July 31, 1998).
- ae. "Final Order" means an order or judgment of the Court as entered on the docket:
 - (1) that has not been reversed, stayed, modified or amended;
 - (2) as to which no appeal, certiorari proceeding, reargument or other review or rehearing has been requested or is still pending; and
 - (3) as to which (unless the Debtor in its sole discretion shall have waived the requirement therefor) the time for filing a notice of appeal, petition for certiorari or request for reargument or further review or rehearing shall have expired.
- af. "GWI" means Graham Webb International Limited Partnership.
- ag. "GWI Administrative Claim" means the post-petition Secured Claim of GWI arising under the GWI Documents.

ah. "GWI Documents" means:

(1) the Credit Agreement dated April 1, 1993; the Revolving Loan Note dated April 1, 1993; the Mortgage and Security Agreement dated April 1, 1993; the Subordination Agreement dated April 1, 1993; the Environmental Indemnity Agreement Dated April 1, 1993; the First Forbearance Agreement dated March 30, 1998; the Second Forbearance Agreement dated May 31, 1998; the Third Forbearance Agreement dated June 30, 1998; and the Fourth Forbearance Agreement dated July 10, 1998; together with any amendments thereto and such other agreements, instruments or documents executed and delivered pursuant to any such agreements, instruments or documents, all being between WinterSilks and ANB, and all assigned by ANB to GWI on July 27, 1998; and

(2) the Post-Bankruptcy Loan, Cash Collateral and Security Agreement dated August 4, 1998; the Promissory Note dated August 4, 1998; the First Addendum to Post-Bankruptcy Loan, Cash Collateral and Security Agreement dated September 9, 1998; and the Promissory Note dated September 15, 1998.

ai. "GWI Secured Claim" means the pre-petition date Secured Claim of GWI arising under the GWI documents, and any successor to such Secured Claim.

aj. "Holder" means any Person who holds a Claim or Interest in any of the various Classes described in the Plan.

ak. "Interest" means the right, interest or benefit of a Holder of the Existing Common Stock.

al. "Investment Fund" means that fund established by the Debtor and Venus to fund payments to Class IV on the Distribution Date.

am. "Lien" means any charge against or interest in property (real or personal) belonging to the Debtor to secure payment of a debt or performance of an obligation.

an. "Litigation Actions" means all Actions (including, without limitation, Actions arising under §§ 510, 544, 547, 548, 549, 550, 553 or any other section of the Code), other than the Actions specifically released, discharged and/or settled that the Debtor had, now has, or hereafter may have against any entity.

ao. "Management" means Vig, Jay Saftchick and Greg Hermus.

ap. "Petition Date" means July 31, 1998.

aq. "Plan" means the Debtor's First Amended Plan of Reorganization, as modified from time to time, and to the extent permitted herein or by the Court.

ar. "Prime Rate" means the Prime Rate as published from time to time in the Wall Street Journal®.

as. "Priority Claim" means an Allowed Claim entitled to a priority under §§ 507(a)(3) through (9) of the Code, other than an Administrative Claim for such Claim.

at. "Priority Tax Claim" means an Allowed Claim for any tax entitled to priority under § 507(a)(8) of the Code, other than an Administrative Claim for such tax.

au. "Pro Rata" means proportionally, so that, with respect to an Allowed Claim, the ratio of: (1) the amount of property distributed on account of such Allowed Claim to (2) the amount of such Allowed Claim, is the same as the ratio of: (a) the amount of property distributed on account of all Allowed Claims in the Class in which such Allowed Claim is included to (b) the amount of all Allowed Claims in that Class.

av. "Reorganization Case" means the case for reorganization of the Debtor commenced by the filing of a Voluntary Petition under Chapter 11 on the Petition

Date, now pending in this Court, entitled "In re WinterSilks, Inc., Debtor, Case No. 98-33887-11;"

aw. "Reorganized Company" means WinterSilks on and after the Effective Date, as reorganized under the terms and provisions of the Plan.

ax. "Reserve" means the applicable reserve established for purposes of paying Disputed Claims, pursuant to Article V, § 5.2 of the Plan.

ay. "Rules" means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as the same may be applicable to the Reorganization Case, including the local rules and standing orders of the Court.

az. "Schedules" means the schedules of assets and liabilities Filed by the Debtor, as they may be amended or supplemented from time to time, in accordance with Rule 1009.

ba. "Secured Claim" means that portion of a Claim secured by property of the Estate to the extent that each such Claim:

- (1) is entitled to secured status in accordance with § 506 of the Code;
- (2) is secured by a validly perfected security interest, mortgage or other Lien (perfected on or before March 30, 1998, unless valid consideration was provided to Debtor for such Claim on or after April 1, 1998); and
- (3) is supported by corresponding collateral of value sufficient to support the particular Claim.

To the extent a Secured Claim is not validly perfected as against the Debtor, or to the extent there is insufficient collateral to support the Claim, it shall be deemed an unsecured Claim.

bb. "Secured Creditor" means any Creditor holding a valid Secured Claim allowed and approved by the Court.

- bc. "Subsequently Allowed Claim" means any Claim for which an Allowed Claim is fixed after the Effective Date.
- bd. "TCW" means TCW Capital, TCW Special Placements Fund II and Mezzanine Capital.
- be. "Unclaimed Property" means any Cash distributable under the terms of the Plan that is unclaimed by the proper recipient thereof one year following the date such distribution is or can be made.
- bf. "Venus" means Venus Swimwear, Inc., a Florida business corporation.
- bg. "Vig" means Chris E. Vig, President of WinterSilks.
- bh. "WinterSilks" means WinterSilks, Inc. f/k/a The White Pine Company, Ltd., the Debtor and Debtor-in-Possession and the Case.

1.2. Undefined Terms

Any term used in this Plan that is not defined in this Plan but that is used in the Code has the same meaning as assigned to that term in the Code.

1.3. Rules of Interpretation

For purposes of this Plan:

- a. whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural;
- b. any reference in this Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions shall mean that such document shall be substantially in such form or substantially on such terms and conditions;

c. any reference in this Plan to an existing document or exhibit Filed or to be Filed with the Court means such document or exhibit, as it may have been or may be amended, modified or supplemented;

d. unless otherwise expressly provided herein, all references in the Plan to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to this Plan;

e. the words "herein," "hereof" and "hereto" refer to this Plan in its entirety rather than to a particular portion of this Plan;

f. captions and headings to Articles, Sections and Exhibits are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan;

g. the rules of construction set forth in § 102 of the Code shall apply;

h. as used in the Plan, masculine pronouns shall be deemed to include feminine and neuter, and vice versa; and

i. accounting terms not otherwise defined in the Plan have the meanings assigned to them in accordance with generally accepted accounting principles currently in effect.

1.4. Time Periods

In computing any period of time prescribed or allowed by this Plan, the provisions of Rule 9006(a) shall apply.

ARTICLE II.

DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS

The following is a designation of the Classes of Claims and Interests under this Plan. A Claim or Interest shall be deemed classified in a particular Class only to the extent the

Claim or Interest qualifies within the description of that Class, and shall be deemed classified in a different Class to the extent that any remainder of the Claim or Interest qualifies within the description of such different Class.

2.1. **Class I:** **Class I** consists of Administrative Claims, as defined in the Code, for which application for or allowance of the Claim is Filed prior to the Effective Date, as the same is allowed, approved and ordered paid by the Court, all Claims of Creditors whose Claims arise from executory contracts and/or unexpired leases which the Debtor has assumed and which claims have not been paid prior to the Effective Date, all Claims of Creditors whose Claims arise from the extension of unsecured debt to the Debtor post-petition, and the Claim of the U.S. Trustee, pursuant to 28 U.S.C. § 1930.

2.2. **Class II:** **Class II** consists of Priority Claims, as defined in the Code, for which proof of the Claim is filed prior to the Bar Date, as the same are allowed and approved.

2.3. **Class III:** **Class III** consists of the Allowed GWI Secured Claim.

2.4. **Class IV:** **Class IV** consists of all unsecured Claims including, but not limited to, judgment lien Holders, if any exist, all Claims of Creditors whose Claims arise from rejected executory contracts and/or unexpired leases, and pre-petition claims of construction lien contractors, if any exist.

2.5. **Class V:** **Class V** consists of all Interests of Holders of Existing Common Stock as of the Confirmation Date of the Plan.

ARTICLE III.

TREATMENT OF CLASSES OF CLAIMS AND INTERESTS

3.1. Treatment of Class I - Administrative Claims

Administrative Claims are not impaired, and shall be paid as follows:

a. Claims of Professionals. Each Holder of an Administrative Claim which requires the Court to approve such claim under § 330(a) before it is paid (primarily, professionals retained by the estate under § 327 of the Code) shall receive, on account of such Holder's Allowed Claim, cash equal to the amount of such Allowed Claim, on or before the Distribution Date, or on the date of the Court's order approving said Allowed Claim, unless the Holder agrees (including any agreement under which the Administrative Claim arose) to a different or less favorable treatment of such Claim on or before the Effective Date of the Plan.

b. Post-Petition Vendor, Executory contract and Unexpired Lease Claims. Holders of Class I claims that are in the nature of unsecured trade debt incurred by the Debtor post-petition or that arise from executory contracts or unexpired leases that have been assumed by the Company shall be paid in accordance with the terms of their respective contracts in the Reorganized Company's normal course of business.

c. Post-Petition Claims of Venus. The post-petition unsecured loans of Venus shall be paid post-confirmation in accordance with the terms of the documents establishing the obligation.

d. Quarterly U.S. Trustee Fees. All quarterly fees payable under 28 U.S.C. § 1930 shall be paid on or before the Effective Date of this Plan, as required by 11 U.S.C. § 1129(a)(12). The Reorganized Debtor shall continue to file quarterly fee statements and pay quarterly fees when due until the case is converted, dismissed or closed. The Bankruptcy court shall retain jurisdiction necessary to enforce the provisions of this paragraph.

Payment to Holders of Class I Claims which first require approval of the Court under § 330(a)

shall be made prior to Debtor making payment to any other Class under this Plan. If Court ?

approval has not been obtained on or as of the Distribution Date for any such Claims, the Company shall escrow funds with its counsel's trust account sufficient to pay such Claims in this Class as if they will be allowed and approved in full. Such escrow shall then be used to pay the allowed amount of such Claims upon approval by the Court of such Claims. Any funds so escrowed by the Debtor that are not necessary to pay the eventually approved Claims in this Class shall be returned to the Debtor after the Claims have been determined by the Court.

3.2. Treatment of Class II - Priority Claims

Class II is not impaired and will be paid as follows:

- a. Each Holder of an Allowed Priority Claim that is related specifically to unpaid wages (as opposed to unpaid vacation and sick leave), pursuant to § 507(a)(3) of the Code, shall be paid the amount of their unpaid wage claim in full on the Distribution Date, after the Class I Claims have received their full treatment under the Plan.
- b. All unpaid or unused vacation and/or sick leave claims owed by the Debtor to claimants who remain employed by the Reorganized Company on the Confirmation Date, regardless of the priority of such claims under § 507(a)(3) of the Code, shall be assumed by the Reorganized Company on the Confirmation Date, and shall be paid to the affected employees in accordance with existing Company employment policies, in the ordinary course of the Reorganized Company's business post-Confirmation.
- c. Each Holder of an Allowed Priority Claim that is comprised of unpaid or unused vacation and/or sick leave claims owed by the Debtor to claimants who are not employed by the Reorganized Company on the Confirmation Date, pursuant to §

507(a)(3) of the Code, shall be paid the amount of their Allowed Priority Claim, in full, on the Distribution Date, after the Class I Claims have received their full treatment under the Plan.

d. Each Holder of an Allowed Priority claim pursuant to §507(2), (4), (5), (6), (7), (8) and (9) shall be paid the amount of their Allowed Priority Claim, in full, on the Distribution Date, after the Class I claims have received their full treatment under the Plan.

3.3. Treatment of Class III- GWI Secured Claim

Class III is impaired under this Plan. The GWI Secured Claim shall be paid as described below:

a. Payment will be made in full from the Debtor's operating profits over a period of time. Periodic monthly payments shall be made to this Class as follows:

(1) On the Distribution Date, the balance of the GWI Secured Claim shall be reduced to a term note (the "GWI Demand Note"), the original principal amount of which shall be equal to the total balance due on the GWI Secured Claim as of the Distribution Date;

(2) Monthly payments under the GWI Demand Note shall be made by the Debtor of interest only, but the entire balance of the GWI Demand Note shall become due and payable on demand;

(3) Interest shall accrue on the GWI Demand Note at the Prime Rate, floating, adjusted monthly;

(4) The holder of the GWI Secured Claim shall retain the same first secured position in the Debtor's property that GWI claimed as security pre-petition for its pre-petition claim;

(5) The form of the GWI Demand Note is attached to the Disclosure Statement as Exhibit E;

(6) Debtor reserves the right to prepay the balance it will owe under the GWI Demand Note, in whole or in part, at any time without penalty; and

(7) At no time shall the holder of the GWI Secured Claim be entitled to a pre-payment penalty, either under the GWI Documents or Exhibit E to the Disclosure Statement.

No portion of this Class' Allowed Claim shall be treated as a Priority Claim under Class I for any purpose. Nothing contained herein shall limit or restrict the ability of WinterSilks and the holder of the Class III Claim from mutually agreeing to an alternative treatment of the Class III Claim after this Plan is confirmed.

3.4. Treatment of Class IV - Unsecured Claims

Class IV is impaired under this Plan. The Holders of Allowed Class IV Claims shall be paid 61.00% of their respective Allowed Claims in one of two alternative methods, as described below:

a. Method One: The Holders of Allowed Class IV claims, except for Venus, will receive a cash payment on the Distribution Date in an amount equal to 61.00% of their respective Allowed Claims, in full satisfaction of Class IV's pre-petition Allowed Claims;

b. Method Two: Payment of the Venus Class IV Allowed Claim shall be made in the form of a promissory note in an amount equal to 61.00% of all Class IV Allowed Claims purchased by Venus, in full satisfaction of Venus' Class IV Allowed Claim.

The Company is authorized, if necessary, to issue such documents as may be necessary to secure the promissory note, as may be mutually agreed by WinterSilks and Venus.

Nothing contained herein shall limit or restrict WinterSilks' and Venus' ability to mutually agree to an alternative method of payment after this Plan is confirmed, provided the holders of Class IV claims other than Venus are paid the cash distribution set forth herein.

3.5. Treatment of Class V - Holders of Existing Common Stock

Class V is not impaired under this Plan. The members of Class V shall retain their ownership of the Interests in the Debtor as they existed on the Filing Date.

ARTICLE IV.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

4.1. Assumption

Executory contracts or unexpired leases of the Debtor that prior to the Confirmation Date: (i) have not expired by their own terms; (ii) have not been rejected by the terms of the Code; or (iii) have not been expressly rejected by the Debtor during the Reorganization Case pursuant to § 365 of the Code, shall be deemed assumed by the Debtor-in-Possession, effective on the Confirmation Date. Any claim for damages arising from the rejection of an executory contract or unexpired lease must be filed by the Bar Date, unless rejection occurs after ten days prior to the Bar Date or after the Bar Date, and then such Claim must be filed within twenty (20) days of rejection, or be forever barred from receiving any distribution under this Plan.

4.2. Cure Payments and Release of Liability

All cure payments that may be required by § 365(b)(1) of the Code under any executory contract or unexpired lease assumed under this Plan shall be made by the Debtor on the Distribution Date or at such other time as may be mutually agreed by the parties. In

the event of a dispute regarding the amount of any cure payments, or any other matter pertaining to assumption, the Debtor shall make the cure payments required by § 365(b)(1) of the Code following the entry of a Final Order resolving the dispute.

ARTICLE V.

MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN

5.1. Financial Means to Complete the Plan.

The means for execution of the Debtor's Plan can be broken into four categories: (i) the GWI Demand Note; (ii) the Debtor's prospective cash flow; (iii) the Investment Fund; and (iv) the Reorganized Company's merger into a new entity, WinterSilks, LLC.

a. The GWI Demand Note. On or before February 15, 1999, the Debtor will pay the Allowed GWI Secured Claim from the Debtor's cash flow. To the extent Debtor can not pay the entire amount of the Allowed GWI Secured Claim by February 15, 1999, Venus shall pay said amount and obtain an assignment of the Allowed GWI Secured Claim. Debtor has the means to issue the GWI Demand Note, and owns sufficient property pledged to the holder of the GWI Secured Claim as collateral to adequately protect the holder of the GWI Secured Claim. Debtor's financial projections, attached to the Disclosure Statement as Exhibit D, demonstrate the Debtor's ability to meet the monthly payment requirements under the GWI Demand Note. Debtor also has the means to make the payments under the GWI Demand Note through a combination of cash payments from projected cash flow and refinancing, as demonstrated by the financial projections.

b. The Cash Flow of the Debtor. Any excess cash held by the Debtor may be used to meet the Debtor's obligations under the Plan.

c. The Investment Fund. The Investment Fund will be established by the Company as follows:

(1) On or prior to the Distribution Date, the Company will borrow the approximate sum of \$1,500,000.00 from Venus;

(2) In consideration for making this loan, all amounts loaned will be included in the GWI Demand Note after Venus has obtained the GWI position as the Class III Claimant; and

(3) The Investment Fund will be disbursed by the Debtor on the Distribution Date.

d. Merger of the Reorganized Company into WinterSilks, LLC. On or shortly after the Effective Date, the Debtor currently intends to convert from a Wisconsin to a Florida corporation, in accordance with Wisconsin Statutes §180.1008. Board and shareholder approval is not necessary and shareholders do not have dissenters rights with regard to the conversion. Then, the Reorganized Company currently intends to merge with a newly formed Florida limited liability company to be known as WinterSilks, LLC pursuant to applicable Florida law. Prior to that time or at that time, Vig will sell or transfer to Venus enough of his stock so that Venus will own approximately 80% of WinterSilks, Inc. while Vig will retain 20%. After the merger, Venus and Vig will be the only members of WinterSilks, LLC, owning 80% and 20% of the membership interests, respectively. WinterSilks, LLC will assume the GWI Demand Note and any other unpaid obligation under the Plan. WinterSilks, LLC will continue in the same business as the Debtor.

5.2. Disputed Claims

a. Reserve. On the Distribution Date, there shall be placed in a reserve ("Reserve") out of the respective distributions to Classes I, II and IV contemplated by this Plan the amount of cash which would be paid or distributed in respect of Disputed Claims if the full amount of such Disputed Claims were deemed Allowed Claims, unless such Claims have been estimated for these distributions by the Court in a lesser amount in accordance with this section. A Reserve Account shall be maintained and shall be invested by the Reorganized Company consistent with § 345 of the Code or any order of the Court. For purposes of this Section, a Claim which is not a Disputed Claim in its entirety shall be considered a Disputed Claim only to the extent of the portion thereof which is disputed, and shall be considered an Allowed Claim as to the undisputed portion thereof. As to any Disputed Claim, the Court shall, upon motion by the Debtor or such other party or parties as might have standing therefor, determine the amount sufficient to be withheld and may estimate the likely maximum amount of the Claim in order to make such determination. Any creditor whose Subsequently Allowed Claim is so estimated shall not have recourse to any assets theretofore distributed on account of any Allowed Claim, or any other entity or property if the finally Allowed Claim of such creditor exceeds that estimate. Instead, such Creditor shall have recourse only to undistributed assets in the Reserve established for the Creditor's Class that were allocated in such Reserve for the Subsequently Allowed Claim of that Creditor.

b. Distribution of Allowed Portion. The amount of cash due the Holder of any such Claim, including the allocable portion of the net return yielded from the investment of any cash in such Reserve, shall be distributed on account of a Disputed

Claim to the extent it becomes a Subsequently Allowed Claim pursuant to a Final Order. A Holder of a Claim shall be entitled to receive distributions of property pursuant to this Plan, to the extent such Claim, or any portion thereof, is an Allowed Claim.

c. Termination of Reserve Account. Any property remaining in a Reserve account, including all net return on investment of any cash in such Reserve, at the time there no longer exists any Disputed Claims, shall be distributed according to the priorities of the Plan by the Reorganized Company.

5.3. Allocation of Distributions with Respect to Allowed Unsecured Claims

All payments and distributions made under this Plan with respect to a particular unsecured Claim shall be allocated to the principal component of the Allowed Amount of such unsecured Claim.

5.4. Unclaimed Property

The Reorganized Company shall use its best efforts to locate Holders of all Allowed Claims or Subsequently Allowed Claims. Unclaimed Property shall be distributed according to the distribution scheme of this Plan by the Reorganized Company.

5.5. Non-consensual Confirmation

In the event any impaired Class of Claims or Interests shall fail to accept this Plan in accordance with § 1129(a)(8) of the Bankruptcy Code, the Debtor reserves the right to:

- a. move the Court to confirm this Plan in accordance with §1129(a) of the Code; or
- b. move the Court to confirm this Plan in accordance with § 1129(b) of the Code; or
- c. modify this Plan in accordance with Section 8.1 hereof.

5.6. Corporate Action

Upon the entry of the Confirmation Order by the Court, the consummation of the transactions contemplated under this Plan shall be authorized and approved in all respects. The appropriate officers and directors of the Reorganized Company are hereby authorized and directed to execute and deliver the agreements, documents and instruments, and take or cause to be taken the actions, required by this Plan in the name of and on behalf of the Reorganized Company.

ARTICLE VI.

PROSECUTION OF LITIGATION ACTIONS

Notwithstanding anything to the contrary contained in this Plan or the Confirmation Order, no Litigation Actions shall be discharged and they are hereby preserved and retained for enforcement after the Effective Date by the Reorganized Company pursuant to § 1123(b)(3)(B) of the Code. Such claims of the Debtor against third parties may be used by the Reorganized Company, at its option, to offset any payment due to such third party under the relevant provisions of this Plan.

ARTICLE VII.

EFFECTIVE DATE

7.1. Conditions to Confirmation and Effective Date

It is a condition to Confirmation of this Plan that:

a. This Plan is accepted by Creditors in accordance with §§ 1126 and 1129(a) of the Code, or this Plan is otherwise confirmed by the Court in accordance with § 1129(b) of the Code;

b. The Confirmation Order shall be entered in a form satisfactory to the Debtor;

c. Any and all documents necessary to implement the provisions of this Plan are executed in a form satisfactory to the parties thereto or affected thereby. Each of the above conditions may be waived in whole or in part by the parties thereto.

7.2. Occurrence of Effective Date

The Effective Date of this Plan shall occur, and this Plan shall take effect, on the date designated by the Debtor, which shall be on or promptly after the first business day upon the Confirmation Order being signed.

ARTICLE VIII.

MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN

8.1. Modification of the Plan

The Debtor may alter, amend or modify this Plan under § 1127 of the Code at any time prior to the Confirmation Date. After the Confirmation Date and prior to Substantial Consummation of the Plan, the Reorganized Company and any party in interest may, so long as it does not adversely affect the treatment of Holders of Claims or Interests under this Plan, institute proceedings in the Court to remedy any defect or omission or reconcile any inconsistencies in this Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of this Plan; provided, however, prior notice of such proceedings shall be served in accordance with Rules 2002 and 9014.

8.2. Revocation or Withdrawal of Plan

a. **Right to Revoke.** The Debtor reserves the right to revoke or withdraw its support of the Plan prior to the Confirmation Date.

b. **Effect of Withdrawal or Revocation.** If the Debtor revokes or withdraws the Plan prior to the Confirmation Date, then this Plan shall be deemed null and void.

In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any person in any further proceedings involving the Debtor.

ARTICLE IX.

DISCHARGE OF DEBTOR

9.1. Binding Effect of Plan

The provisions of this Plan shall bind all Creditors and Interest Holders, whether or not they accept the Plan.

9.2. Discharge of Debtor

Pursuant to §§ 105, 524 and 1141 of the Code, and except as otherwise provided in this Plan, Confirmation shall discharge and release the Debtor and its Estate and all property that the Debtor and its Estate owned as of the Confirmation Date from any and all Claims, Actions, security interests, encumbrances and Interests that arose before the Confirmation Date, including, but not limited to, all principal and any interest accrued thereon; provided, however, that, pursuant to § 524(e) of the Code, such discharge and release shall not affect the liability of any other entity on, or the property of any other entity for, such Claims, Actions, security interests, encumbrances and Interests. Confirmation and the payments and distributions pursuant to this Plan shall be in exchange for and in complete satisfaction, discharge and release of all Claims against the Debtor and any of its assets or properties, including any Claim for interest accruing after the Petition Date and prior to the Effective Date. On and after the Effective Date, except as expressly provided in this Plan, all Holders of Claims arising prior to the Confirmation Date shall be permanently barred and enjoined from asserting against the Debtor or its assets any other or further Claims or Actions,

including any act or omission, transactions or other activity of any kind or nature that occurred prior to the Confirmation Date.

ARTICLE X.

MISCELLANEOUS PROVISIONS

10.1. Consummation

Substantial Consummation of the Plan shall be deemed to have occurred at such time that the following have occurred:

- a. The Effective Date of this Plan has occurred;
- b. The Debtor has remitted to the pertinent Creditors the Cash or other instruments required to be distributed hereunder on the Distribution Date; and
- c. The Debtor has executed all documents required by the Plan.

10.2. Limitation of Liability

The Debtor and its respective agents, directors, officers, employees and professional advisors shall neither have nor incur any liability for any act taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, implementation, confirmation, or consummation of this Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created or entered into, or any other act taken or omitted to be taken, in connection with this Plan, the Disclosure Statement, or any such agreement or document.

10.3. Notices

- a. All notices, requests, elections or demands in connection with this Plan will be in writing and will be deemed to have been given when received or, if mailed, five days after the date of mailing, provided such writing will have been sent by

registered or certified mail, postage prepaid, return receipt requested, and if sent to the Debtor, addressed to:

William J. Rameker, Esq.
MURPHY & DESMOND, S.C.
2 East Mifflin Street Suite 800
P.O. Box 2038
Madison, WI 53701
(608) 257-7181
Facsimile (608) 257-4333

With copies to:
WINTERSILKS, INC.
Mr. Chris E. Vig, President
2700 Laura Lane
Middleton, WI 53562

and: Venus Swimwear, Inc.
Mr. Daryle Scott, President
11711 Marco Beach Drive
Jacksonville, FL 22224

With Copies to:
David E. Otero, Esq.
Milam Otero Larsen Dawson
& Traylor, P.A.
50 North Laura Street Suite 2750
Jacksonville, FL 32202
(904) 798-3706 x102
Facsimile (904) 798-3730

b. All notices and requests to Holders of Claims and Interests will be sent to them at their last known addresses. The Debtor and any Holders of Claims or Interests of any Class may designate in writing any other address for purposes of this Section, which designation will be effective upon receipt.

10.4. Payment Dates

Whenever any payment or distribution to be made under this Plan will be due on a day other than a business day, such payment or distribution instead will be made, without interest, on the next business day.

10.5. The Creditors Committee

The existence and authority of the Creditors' Committee has been terminated.

10.6. Headings

The headings used in this Plan are inserted for convenience only and neither constitute a portion of this Plan, nor shall they in any manner affect the provisions of this Plan.

10.7. Governing Law

EXCEPT TO THE EXTENT THE CODE IS APPLICABLE, THE RIGHTS AND OBLIGATIONS ARISING UNDER THIS PLAN WILL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF WISCONSIN.

10.8. Successors and Assigns

The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of, the successors and assigns of such entity.

10.9. Severability

Should any provision in this Plan be determined to be unenforceable, such determination will in no way limit or affect the enforceability and operative effect of any and all other provisions of this Plan, unless the Debtor exercises its rights pursuant to Article VIII. of this Plan.

ARTICLE XI.

RETENTION OF JURISDICTION

Following Confirmation of this Plan, the Court shall retain such jurisdiction as is legally permissible after Confirmation, including, without limitation, for the following purposes:

11.1. To determine the allowability, classification or priority of Claims upon objection by any party in interest with standing to bring such objection or proceeding;

11.2. To construe and to take any action to enforce and execute this Plan, the Confirmation Order or any other order of the Court, issue such orders as may be necessary for the implementation, execution, performance and consummation of this Plan and all matters referred to herein, and determine all matters that may be pending before the Court

in the Reorganization Case on or before the Effective Date with respect to any entity, all notwithstanding any otherwise applicable non-bankruptcy law;

11.3. To determine any and all applications for allowance of compensation and expense reimbursement of professionals for periods on, before or after the Effective Date;

11.4. To determine any other request for payment of administrative expenses;

11.5. To resolve any dispute regarding the implementation, execution, performance, consummation or interpretation of this Plan;

11.6. To determine motions for the rejection, assumption or assignment of executory contracts or unexpired leases Filed before the Effective Date and the allowance of any Claim resulting therefrom;

11.7. To determine all applications, adversary proceedings, contested matters, litigation Actions and other litigated matters, and settlements thereof, instituted on, before or after the Effective Date;

11.8. To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

11.9. To modify this Plan under § 1127 of the Code, to remedy any apparent non-material defect or omission in this Plan, or to reconcile any non-material inconsistency in the Plan so as to carry out its intent and purposes;

11.10. To issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with this Plan or its execution or implementation by any entity;

11.11. To issue such orders in aid of execution of the Plan and the Confirmation Order, notwithstanding any otherwise applicable non-bankruptcy law, with respect to any entity, to the full extent authorized by the Code;

11.12. To determine all questions and disputes regarding title to the assets of the Debtors or their Estate; and

11.13. To enter an order or final decree closing the Reorganization Case.

Dated this 19 day of February, 1999.

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By: 

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2 East Mifflin Street, Suite 800

P.O. Box 2038

Madison, WI 53701-2038

(608) 257-7181

WINTERSILKS, INC.
Debtor-in-Possession

By: 

Chris Vig, its President

APPROVED AS TO FORM:

UNITED STATES TRUSTEE
Ira Bodenstein

By: 

Sheree G. Dandurand,

Assistant United States Trustee