

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:		NEW ASSIGNMENT	
NATURE OF CONVEYANCE:		ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL	
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
PROLINE SPORTSWEAR, LLC		06/01/2011	LIMITED LIABILITY COMPANY: NORTH CAROLINA
RECEIVING PARTY DATA			
Name:	Whispering Pines Sportwear, Inc.		
Street Address:	506 Usher Street		
City:	Pageland		
State/Country:	SOUTH CAROLINA		
Postal Code:	29728		
Entity Type:	CORPORATION: SOUTH CAROLINA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	3025751	PROLINE SPORTSWEAR	
CORRESPONDENCE DATA			
Fax Number: <i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	7275460660		
Email:	tmdocket@larsonpatentlaw.com		
Correspondent Name:	Nathan P. Suedmeyer		
Address Line 1:	11199 69th Street N.		
Address Line 4:	Largo, FLORIDA 33773		
ATTORNEY DOCKET NUMBER:	3148.13		
NAME OF SUBMITTER:	Nathan P. Suedmeyer, Esq.		
Signature:	/Nathan P. Suedmeyer/		

CH \$40.00 3025751

900254061

TRADEMARK
REEL: 005019 FRAME: 0092

Date:

05/01/2013

Total Attachments: 38

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SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE (the "Agreement") is entered into by and between International Apparel, Ltd. ("IA"), a Virginia corporation; Whispering Pines Sportswear, Inc. ("WPS"), a South Carolina corporation; Proline Sportswear, LLC ("Proline"), a North Carolina limited liability company; C. Robert Brewer; Vikrant Sharma; Sharenik Jain; Craig S. Brewer; Don G. Corey; David R. Peterson; and John A. Grue (collectively, the "Parties").

WHEREAS, IA and WPS are members of Proline with IA and WPS each owing 50% of the total membership interests in Proline;

WHEREAS, C. Robert Brewer, Vikrant Sharma, and Sharenik Jain are the sole shareholders of IA;

WHEREAS, Craig S. Brewer, Don G. Corey, David R. Peterson, and John A. Grue are the sole shareholders of WPS;

WHEREAS, among other assets and liabilities, Proline owns all rights, title and interest in that certain trademark identified as "Proline Sportswear," under Registration No. 3,025,751;

WHEREAS, disputes have arisen between and among IA and WPS and their respective shareholders regarding a contemplated purchase of IA's interest in Proline by WPS (collectively the "Disputes");

WHEREAS, IA initiated a civil action against WPS on or about March 19, 2012, in the United States District Court for the Eastern District of Virginia, Alexandria Division, designated as Civil Action No. 1:12CV302, in which IA filed a Complaint against WPS, and in which WPS filed a Counterclaim against IA (collectively referred to as the "Litigation");

WHEREAS the Disputes are more particularly described in the Litigation and court filings connected therewith;

WHEREAS, the Parties desire to avoid further expense, time, effort, and uncertainty in regard to the Litigation and the Disputes; and

WHEREAS, the Parties desire to settle fully and finally the Disputes and all claims set forth and asserted in the Litigation;

NOW THEREFORE, for good and valuable consideration recited herein, the receipt and sufficiency of which is hereby acknowledged by each Party hereto, the Parties agree to the following:

1. WPS shall pay IA, and IA shall accept, the total sum of THREE HUNDRED SIXTY THREE THOUSAND TWO HUNDRED FORTY SIX and 00/100 Dollars (\$363,246.00) as follows:

a) the sum of \$153,246, in the form of a wire transfer to the Bank of America account in the name of International Apparel LTD [REDACTED]

[REDACTED] made within two business days upon receipt by WPS's counsel of the original signature pages of this Agreement executed by IA, C. Robert Brewer; Sharenik Jain and Vikrant Sharma (the "IA Signature Pages");

b) the sum of \$105,000, in the form of a wire transfer to the Bank of America account in the name of International Apparel Ltd. [REDACTED]

made within 45 days of WPS's counsel's receipt of the IA Signature Pages; and

c) the sum of \$105,000, in the form of a wire transfer to the Bank of America account in the name of International Apparel Ltd. [REDACTED]

made within 105 days of WPS's counsel's receipt of the IA Signature Pages.

2. Time is of the essence with regard to all payments in paragraph 1.

3. IA agrees to transfer and assign all of its membership interests in Proline, effective June 1, 2011, to WPS, with all IA-affiliated managers of Proline submitting their resignations contemporaneously therewith, to be replaced by managers of WPS's choosing, and with Proline continuing in existence following the assignment of membership interest from IA to WPS. IA shall deliver the documents necessary to effectuate such transfers, effective June 1, 2011, and resignations to counsel for WPS, to be held in escrow pending completion of the final payment set forth in paragraph 1(c) above, in accordance with the terms of an Escrow Agreement executed contemporaneously herewith, the form of which is set forth as Exhibit A hereto (the "Escrow Agreement"). In connection with the acts described in this paragraph and the Escrow Agreement and exhibits thereto, IA, Proline and WPS hereby waive all of their procedural and other rights under the Proline Sportswear, LLC Operating Agreement dated effective November 8, 2005, as amended, (the "Operating Agreement"), with respect to the assignment of membership interests from IA to WPS, including, but not limited to, the provisions of Section 9. WPS and IA, as members, and C. Robert Brewer and Vikrant Sharma, as LLC managers prior to their respective resignations, consent and agree to such aforementioned waiver and assignment of membership interest.

4. In exchange for the consideration set forth herein, and effective immediately upon successful transmission of the wire transfer called for in paragraph 1(c) above, IA, on behalf of itself and its predecessors, successors and assigns, fully releases and discharges WPS, Proline and their predecessors, successors, and assigns, individually and collectively, from any and all claims, demands, actions, causes of action, debts, notes (which, upon successful transmission of the wire transfer called for in paragraph 1(c) above, are released, satisfied and cancelled),

security agreements, liens, obligations, contracts and liabilities of every kind or nature whatsoever which IA ever had or currently has, up to and through the date of successful transmission of the wire transfer called for in paragraph 1(c) above, whether known or unknown, including without limitation any and all claims arising from or concerning the Disputes and/or any and all claims set forth and asserted in the Litigation or that could have been asserted in the Litigation. Additionally, and effective immediately upon successful transmission of the wire transfer called for in paragraph 1(c) above, WPS and Proline, on behalf of themselves and their respective predecessors, successors and assigns, individually and collectively, fully release and discharge IA and its predecessors, successors, and assigns from any and all claims, demands, actions, causes of action, debts, notes, security agreements, liens, obligations, contracts and liabilities of every kind or nature whatsoever which WPS and Proline, individually and collectively, ever had or currently have, up to and through the date of successful transmission of the wire transfer called for in paragraph 1(c) above, whether known or unknown, including without limitation any and all claims arising from or concerning the Disputes and/or any and all claims set forth and asserted in the Litigation or that could have been asserted in the Litigation.

5. In exchange for the consideration set forth herein, and effective immediately upon successful transmission of the wire transfer called for in paragraph 1(c) above, IA, C. Robert Brewer, Vikrant Sharma, and Sharenik Jain, on behalf of themselves and their respective past and present officers, directors, shareholders, employees, partners, principals, affiliates, subsidiaries, related entities, agents, attorneys, representatives, heirs, successors, and assigns, individually and collectively, fully release and discharge WPS, Proline, Craig S. Brewer, David R. Peterson, Don G. Corey, John A. Grue, and their respective past and present officers, directors, shareholders, employees, partners, principals, affiliates, subsidiaries, related entities,

agents, attorneys, representatives, heirs, successors, and assigns, individually and collectively, from any and all claims, demands, actions, causes of action, debts, notes, security agreements, liens, obligations, contracts and liabilities of every kind or nature whatsoever which IA, C. Robert Brewer, Vikrant Sharma, and Sharenik Jain, individually and collectively, ever had or currently have, up to and through the date of successful transmission of the wire transfer called for in paragraph 1(c) above, whether known or unknown, relating to IA, WPS and/or Proline. Additionally, and effective immediately upon successful transmission of the wire transfer called for in paragraph 1(c) above, WPS, Proline, Craig S. Brewer, David R. Peterson, Don G. Corey, and John A. Grue, on behalf of themselves and their respective past and present officers, directors, shareholders, employees, partners, principals, affiliates, subsidiaries, related entities, agents, attorneys, representatives, heirs, successors, and assigns, fully release and discharge IA, C. Robert Brewer, Vikrant Sharma, Sharenik Jain, and their respective past and present officers, directors, shareholders, employees, partners, principals, affiliates, subsidiaries, related entities, agents, attorneys, representatives, heirs, successors, and assigns from any and all claims, demands, actions, causes of action, debts, notes, security agreements, liens, obligations, contracts and liabilities of every kind or nature whatsoever which WPS, Proline, Craig S. Brewer, David R. Peterson, Don G. Corey, and John A. Grue, individually and collectively, ever had or currently have, up to and through the date of successful transmission of the wire transfer called for in paragraph 1(c) above, whether known or unknown, relating to IA, WPS, and/or Proline.

6. The Parties agree to dismiss the Litigation without prejudice promptly upon successful transmission of the wire transfer called for in paragraph 1(a) above, by filing a joint stipulation with the Court in the form of that set forth in Exhibit B hereto, with all Parties to bear their own costs, including attorneys' fees and expenses, associated therewith.

7. This Agreement and its exhibits constitute the entire agreement between and among the Parties regarding settlement of the matters described herein and supersede all prior negotiations and discussions which are merged herein.

8. This Agreement is to be construed and enforced under the laws of the State of North Carolina.

9. The Parties acknowledge that they have had sufficient opportunity to consider the terms of this Agreement, that they have read and understand the terms and conditions herein, and that they have retained counsel and have been provided with the opportunity to consult with their respective counsel prior to their execution of the Agreement. As a result, this Agreement shall not be construed against any Party on the basis that the other Party was the drafter of the Agreement.

10. All Parties acknowledge that they have executed this Settlement Agreement and Release freely and without compulsion. The Parties represent that they have the power and authority to enter into this Agreement and to perform their obligations under this Agreement. The Parties further warrant that they are under no contractual, judicial or other restraint, which impairs their right or legal ability to enter into this Agreement and to carry out their duties and responsibilities hereunder.

11. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, representatives, successors in interest, predecessors in interest, and assigns, as the case may be.

12. Should any provision of this Agreement be declared or be determined by a court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms or

provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed to have been stricken and not to be a part of this Agreement.

13. The execution and acceptance of this Agreement shall not operate as an admission of liability, fault, or wrongdoing on the part of any Party hereto, nor shall this Agreement constitute any admission of fact or law.

14. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

15. Failure by any one of the Parties to enforce any term of this Agreement shall not be construed as a waiver by that Party of any right to do so in the future.

16. In the event that any Party is required to file an action to enforce the terms of this Agreement, the Party who prevails in the action shall be entitled to recover, in addition to the relief requested, reasonable attorney fees and litigation expenses incurred in the action.

IN WITNESS WHEREOF, IA, WPS, Proline, C. Robert Brewer, Vikrant Sharma, Sharenik Jain, Craig S. Brewer, Don G. Corey, David R. Peterson, and John A. Grue personally affix their signatures below as of the dates written.

INTERNATIONAL APPAREL, LTD.

By: C. Robert Brewer

Its: President

Dated: 8/27/12

WHISPERING PINES SPORTSWEAR, INC.

By: _____

Its: _____

Dated: _____

PROLINE SPORTSWEAR, LLC

By: _____

Its: _____

Dated: _____

C. ROBERT BREWER

C. Robert Brewer

Dated: 8/27/12

VIKRANT SHARMA

V. Sharma

Dated: 08/27/12

INTERNATIONAL APPAREL, LTD.

By: _____

Its: _____

Dated: _____

WHISPERING PINES SPORTSWEAR, INC.

By: CSP _____

Its: Permit _____

Dated: 8/30/12 _____

PROLINE SPORTSWEAR, LLC

By: CSP _____

Its: Anonymous Association _____

Dated: 8/30/12 _____

C. ROBERT BREWER

Dated: _____

VIKRANT SHARMA

Dated: _____

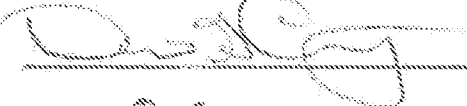
SHARENIK JAIN

.....
Dated:

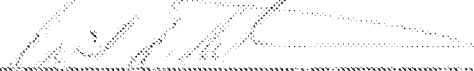
CRAIG S. BREWER


.....
Dated: 8/30/12

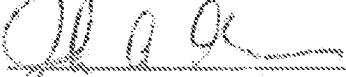
DON G. COREY


.....
Dated: 8-30-12

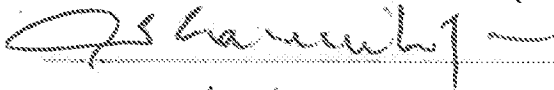
DAVID R. PETERSON


.....
Dated: 8/30/12

JOHN A. GRUE


.....
Dated: 8/30/12

SHARENK JAIN



Dated: 08/27/12

CRAIG S. BREWER

Dated: _____

DON G. COREY

Dated: _____

DAVID R. PETERSON

Dated: _____

JOHN A. GRUE

Dated: _____

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of August __, 2012 (the "Escrow Agreement"), is made and entered into by and among International Apparel, Ltd. ("IA"), a Virginia corporation, Whispering Pines Sportswear, Inc. ("WPS"), a South Carolina corporation, and Hirschler Fleischer, a Virginia professional corporation, as escrow agent (the "Escrow Agent").

RECITAL

IA and WPS are parties to a Settlement Agreement and Release ("Settlement Agreement") of even date herewith addressing, *inter alia*, the transfer and assignment of all of IA's membership interests in Proline Sportswear, LLC ("Proline") to WPS and the resignation of C. Robert Brewer and Vikrant Sharma as managers of Proline. IA and WPS have agreed to place certain documents related to said transactions and specifically identified in Exhibit 1 hereto ("the Transfer Documents") into escrow to be held by the Escrow Agent on terms and conditions set forth herein.

TERMS OF AGREEMENT

In connection with the consummation of the transactions contemplated herein, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1

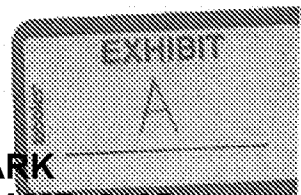
APPOINTMENT OF ESCROW AGENT

Section 1.1 *Appointment of Escrow Agent.* The parties hereby appoint and direct the Escrow Agent to act as escrow agent in accordance with the terms of this Escrow Agreement and the Escrow Agent hereby accepts such appointment and agrees to hold, safeguard and disburse the Transfer Documents pursuant to the terms and conditions hereof.

Section 1.2 *Deposit of Transfer Documents.*

(a) The parties hereby consent to and acknowledge the deposit of the Transfer Documents with the Escrow Agent, and the Escrow Agent acknowledges receipt thereof. The Transfer Documents deposited with the Escrow Agent shall be disposed of by the Escrow Agent in accordance with the terms and provisions of this Escrow Agreement or as jointly directed in writing by WPS and IA. The Escrow Agent shall not own or have any interest in the Transfer Documents.

(b) This Escrow Agreement shall last until the Transfer Documents are released to WPS, which shall occur promptly upon the successful transmission of the wire transfer called for in paragraph 1(c) of the Settlement Agreement (the "Escrow Period").



ARTICLE 2

OPERATION OF PROLINE DURING ESCROW PERIOD

Section 2.1 During and throughout the Escrow Period, WPS and/or its designated representatives shall have complete control of the operations of Proline and of its assets (including, but not limited to, the Proline Sportswear Trademark, Registration No. 3,025,751), as if the Transfer Documents were in effect.

Section 2.2. During and throughout the Escrow Period, so long as WPS is in compliance with the terms of the Settlement Agreement, IA shall take no action to interfere with the control of Proline granted to WPS in Section 2.1 and agrees to indemnify and hold harmless WPS and its shareholders from any and all damages and liability, including attorney fees, resulting from any breach of IA's obligations under this section.

ARTICLE 3

FINAL DISTRIBUTION OF TRANSFER DOCUMENTS

Section 3.1 *Distribution of Transfer Documents.* The Escrow Agent shall hold the Transfer Documents in escrow until authorized hereunder to deliver such documents to WPS. The Escrow Agent shall disburse the Transfer Documents, or portions thereof, only in accordance with: (A) the terms and provisions of this Escrow Agreement, or (B) the mutual written direction of IA and WPS, or (C) the decision of a court of competent jurisdiction as provided in this Article 3.

Section 3.2 *Disbursement of Transfer Documents.*

(a) The Escrow Agent shall accept receipt of the Transfer Documents.

(b) Promptly upon the timely and successful transmission of the wire transfer called for in paragraph 1(c) of the Settlement Agreement, the Escrow Agent shall disburse the Transfer Documents to WPS, at which time the Transfer Documents shall be of full force and effect. Notwithstanding the foregoing, IA and WPS agree that, upon disbursement of the Transfer Documents to WPS according to this Agreement, the effective date for the transfer of IA's membership interest to WPS under the Transfer Documents shall be June 1, 2011.

(c) Upon the final distribution by the Escrow Agent of all Transfer Documents as provided in this Escrow Agreement, the Escrow Agent shall thereafter be discharged of any further duties or obligations under this Escrow Agreement. This Escrow Agreement shall terminate upon the final transfer and delivery by the Escrow Agent of the Transfer Documents as provided herein.

ARTICLE 4

ESCROW AGENT

Section 4.1 *Limitation of Duties.* The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no implied covenants or obligations shall be read into this Escrow Agreement against the Escrow Agent.

Section 4.2 *Permissible Reliance.*

(a) The Escrow Agent may rely and shall be protected in acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and reasonably believed by it to be genuine and to have been signed or presented by WPS or IA.

(b) The Escrow Agent shall be deemed to have properly delivered the Transfer Documents upon (i) placing the documents in the United States mail in a suitable package or envelope with first class prepaid postage affixed, addressed to the addressee at such addressee's address as set forth in this Escrow Agreement or such other address as such person shall have furnished to the Escrow Agent in writing; (ii) delivery in person at the offices of the Escrow Agent; or (iii) delivery in any other manner pursuant to written instructions of WPS, as applicable.

Section 4.3 *Liability of Escrow Agent.* Absent gross negligence or willful misconduct, the Escrow Agent shall not be liable to any of the parties hereto, or any other person for any action taken by it in good faith and believed by it to be authorized or within the rights and powers conferred upon it by this Escrow Agreement, and may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Escrow Agent is authorized by the parties to rely upon all representations, both actual and implied, of each of the parties relating to this Escrow Agreement and/or the Transfer Documents including, without limitation, representations as to authority to execute and deliver this Escrow Agreement, notifications, receipts or instructions hereunder, and the Escrow Agent shall not be liable to any person in any manner by reason of such reliance. Except as provided herein, Escrow Agent shall not be liable for, and WPS and IA jointly and severally hereby indemnify and agree to save harmless and reimburse Escrow Agent from and against, all losses, costs, liabilities, damages and expenses, including outside counsel fees, in connection with Escrow Agent's acceptance of, or the performance of, its duties and obligations as Escrow Agent under this Escrow Agreement.

Section 4.4 *Resignation of Escrow Agent.* The Escrow Agent may resign at any time upon thirty (30) days' prior written notice to the parties hereto. In such event, the parties hereto shall appoint a successor escrow agent and shall give the Escrow Agent notice of the address of the successor Escrow Agent within such 30 day notice period. Upon the effective date of its resignation, the Escrow Agent shall either (i) deliver the Transfer Documents to such successor escrow agent, or (ii) if it has not been notified of such a selected successor escrow agent, deliver the Transfer Documents, if any, that are still being held, to a successor escrow agent appointed by a court of competent jurisdiction upon the petition of the Escrow Agent.

ARTICLE 5

MISCELLANEOUS PROVISIONS

Section 5.1 *Notices.* All notices and communications hereunder shall be in writing and shall be deemed to be duly given when delivered by hand, when delivered into the hands of a recognized overnight courier (such as UPS) with delivery charges prepaid, or when mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as set forth above or at such other address as any of the above may have furnished to the other parties in writing in the manner described above.

Section 5.2 *Integration.* This Agreement shall constitute the entire agreement between the parties hereto with respect to the Escrow Agent transactions contemplated hereby.

Section 5.3 *Binding Agreement, Assignment.* This Escrow Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns; provided, however, that no assignment of this Escrow Agreement or any of the rights or obligations hereof shall relieve any party of its obligations under this Escrow Agreement.

Section 5.4 *Amendment; Waiver.* No amendment or waiver of any provision of this Escrow Agreement shall be valid and binding unless the same shall be in writing and signed, in the case of an amendment, by all of the parties hereto, or in the case of a waiver, by the party against whom the waiver is to be effective. No waiver by any party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence. No delay or omission on the part of any party in exercising any right, power or remedy under this Escrow Agreement shall operate as a waiver of such right, power or remedy hereunder.

Section 5.5 *Warranty of Authority.* Each party executing this Escrow Agreement warrants his or its authority to execute this Escrow Agreement.

Section 5.6 *Execution.* This Escrow Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which constitute one and the same instrument. This Escrow Agreement may be executed by facsimile signature pages which shall have the same force and effect as original executed signature pages.

Section 5.7 *General.* If any provision of this Escrow Agreement shall be found by any court of competent jurisdiction to be invalid or unenforceable, the parties hereby waive such provision to the extent that it is found to be invalid or unenforceable. Such provision shall, to the maximum extent allowable by law, be modified by such court so that it becomes enforceable, and, as modified, shall be enforced as any other provision hereof, all the other provisions hereof continuing in full force and effect. The headings contained in this Escrow Agreement are for

reference purposes only and shall not in any way affect the meaning or interpretation hereof.
This Agreement is to be construed and enforced under the laws of the State of North Carolina.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed as of the date and year first above written.

TRANSFEROR:

TRANSFeree:

INTERNATIONAL APPAREL, LTD.

WHISPERING PINES SPORTSWEAR, INC.

By:

By:

Its:

Its:

Dated:

Dated:

ESCROW AGENT:

Hirschler Fleischer,
A Professional Corporation

By:

Its:

Dated:

EXHIBIT 1

The Transfer Documents consist of the following:

1. Membership Interest Assignment (the form of which is attached as Exhibit A hereto)
2. Manager Resignations (the form of which is attached as Exhibit B hereto)

EXHIBIT A

Assignment of Membership Interest
of
Proline Sportswear, LLC

International Apparel, Ltd. ("Transferor"), being the owner and holder of an aggregate 50% of all of the membership interests consisting of 500 Units (the "Interest") in Proline Sportswear, LLC, a North Carolina limited liability company ("Company"), hereby assigns, transfers, and conveys to WHISPERING PINES SPORTSWEAR, INC. ("Transferee"), effective as of June 1, 2011 all of Transferor's right, title, and interest in the Interest (consisting of 500 Units), including all of its interest in profits, losses, and distributions associated with such Interest, and all of its interest in the capital account associated with such Interest, and Transferor acknowledges that it has no further interest or rights in the Company's profits, allocated losses or distributions, or in its capital account.

IN WITNESS WHEREOF, this Assignment of Membership Interest has been executed by Transferor to be effective as of June 1, 2011 at 12:01 am.

TRANSFEROR:

International Apparel, Ltd.

By: _____
Name: _____
Title: _____

EXHIBIT B

INTERNATIONAL APPAREL, LTD.

11616 Fairfax Meadow Circle, Suite 19103
Fairfax, VA 22030

DATE: _____

Member/Managers
Proline Sportswear, LLC
c/o Whispering Pines Sportswear, LLC
506 State Road S-13-903
Pageland, SC 29728

Re: Resignation as Managers of PROLINE SPORTSWEAR, LLC

Dear Whispering Pines Sportswear, LLC:

Inasmuch as International Apparel has transferred its ownership interest to Whispering Pines pursuant to that certain settlement agreement dated _____, it is the Purpose of this letter to resign the Manager positions of C. Robert Brewer and Vikrant Sharma, who were appointed as managers previously by International Apparel. By this notice, International Apparel resigns any all positions of authority previously held in PROLINE SPORTSWEAR, LLC. Thanking you for your attention to these matters, I am,

Very truly yours,
International Apparel, LTD

By: _____
C. Robert Brewer, President

Seen and approved:

C. Robert Brewer

Vikrant Sharma

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division

INTERNATIONAL APPAREL LTD.,)	
)	
Plaintiff-Counterclaim Defendant,)	
)	
v.)	Case No. 1:12-cv-00302-LO-TRJ
)	
WHISPERING PINES SPORTSWEAR,)	
INC.,)	
)	
Defendant-Counterclaim Plaintiff.)	

JOINT STIPULATION OF DISMISSAL WITHOUT PREJUDICE

Pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), Plaintiff-Counterclaim Defendant International Apparel, Ltd. ("IA") and Defendant-Counterclaim Plaintiff Whispering Pines Sportswear, Inc. ("WPS"), by and through their respective counsel, hereby stipulate to the DISMISSAL WITHOUT PREJUDICE of the above captioned case, with each party to bear its own costs.



Dated: August __, 2012

INTERNATIONAL APPAREL, LTD.

By _____ /s/
Timothy M. Purnell
VSB No. 40870
Attorney for Plaintiff-Counterclaim Defendant
Coon & Purnell
9214 Center Street
Manassas, Virginia 20110
Telephone No.: (703) 368-9196
Facsimile No.: (703) 361-0092
E-mail: tpurnell@manassasalawyers.com

Respectfully submitted,

WHISPERING PINES SPORTSWEAR, INC.

By _____ /s/
Stacie C. Bordick
VSB No. 67974
Attorney for Defendant-Counterclaim Plaintiff
HIRSCHLER FLEISCHER,
A PROFESSIONAL CORPORATION
Post Office Box 500
Richmond, Virginia 23218-0500
Telephone No.: (804) 771-9500
Facsimile No.: (804) 644-0957
E-mail: sbordick@hf-law.com

HIRSCHLER FLEISCHER,
A PROFESSIONAL CORPORATION
Andrew P. Sherrod
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E-mail: sbordick@hf-law.com

CERTIFICATE OF SERVICE

I hereby certify that, on the _____ day of August, 2012, I will electronically file the foregoing with the Clerk of Court using the CM/ECF system, which will then send a notification of such filing (NEF) to the following:

Timothy Mark Purnell
Coon & Purnell, P.C.
9214 Center Street, Suite 101
Manassas, Virginia 20110
Telephone: (703) 368-9196
Facsimile: (703) 361-0092
E-mail: tpurnell@manassasalawyers.com

/s/
Stacie C. Bordick
VSB No. 67974
Attorney for Defendant-Counterclaim
Plaintiff
HIRSCHLER FLEISCHER,
A PROFESSIONAL CORPORATION
Post Office Box 500
Richmond, Virginia 23218-0500
Telephone No.: (804) 771-9500
Facsimile No.: (804) 644-0957
E-mail: sbordick@hf-law.com

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ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of August 27, 2012 (the "Escrow Agreement"), is made and entered into by and among International Apparel, Ltd. ("IA"), a Virginia corporation, Whispering Pines Sportswear, Inc. ("WPS"), a South Carolina corporation, and Hirschler Fleischer, a Virginia professional corporation, as escrow agent (the "Escrow Agent").

RECITAL

IA and WPS are parties to a Settlement Agreement and Release ("Settlement Agreement") of even date herewith addressing, *inter alia*, the transfer and assignment of all of IA's membership interests in Proline Sportswear, LLC ("Proline") to WPS and the resignation of C. Robert Brewer and Vikrant Sharma as managers of Proline. IA and WPS have agreed to place certain documents related to said transactions and specifically identified in Exhibit 1 hereto ("the Transfer Documents") into escrow to be held by the Escrow Agent on terms and conditions set forth herein.

TERMS OF AGREEMENT

In connection with the consummation of the transactions contemplated herein, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1

APPOINTMENT OF ESCROW AGENT

Section 1.1 *Appointment of Escrow Agent.* The parties hereby appoint and direct the Escrow Agent to act as escrow agent in accordance with the terms of this Escrow Agreement and the Escrow Agent hereby accepts such appointment and agrees to hold, safeguard and disburse the Transfer Documents pursuant to the terms and conditions hereof.

Section 1.2 *Deposit of Transfer Documents.*

(a) The parties hereby consent to and acknowledge the deposit of the Transfer Documents with the Escrow Agent, and the Escrow Agent acknowledges receipt thereof. The Transfer Documents deposited with the Escrow Agent shall be disposed of by the Escrow Agent in accordance with the terms and provisions of this Escrow Agreement or as jointly directed in writing by WPS and IA. The Escrow Agent shall not own or have any interest in the Transfer Documents.

(b) This Escrow Agreement shall last until the Transfer Documents are released to WPS, which shall occur promptly upon the successful transmission of the wire transfer called for in paragraph 1(c) of the Settlement Agreement (the "Escrow Period").

ARTICLE 2

OPERATION OF PROLINE DURING ESCROW PERIOD

Section 2.1 During and throughout the Escrow Period, WPS and/or its designated representatives shall have complete control of the operations of Proline and of its assets (including, but not limited to, the Proline Sportswear Trademark, Registration No. 3,025,751), as if the Transfer Documents were in effect.

Section 2.2. During and throughout the Escrow Period, so long as WPS is in compliance with the terms of the Settlement Agreement, IA shall take no action to interfere with the control of Proline granted to WPS in Section 2.1 and agrees to indemnify and hold harmless WPS and its shareholders from any and all damages and liability, including attorney fees, resulting from any breach of IA's obligations under this section.

ARTICLE 3

FINAL DISTRIBUTION OF TRANSFER DOCUMENTS

Section 3.1 *Distribution of Transfer Documents.* The Escrow Agent shall hold the Transfer Documents in escrow until authorized hereunder to deliver such documents to WPS. The Escrow Agent shall disburse the Transfer Documents, or portions thereof, only in accordance with: (A) the terms and provisions of this Escrow Agreement, or (B) the mutual written direction of IA and WPS, or (C) the decision of a court of competent jurisdiction as provided in this Article 3.

Section 3.2 *Disbursement of Transfer Documents.*

(a) The Escrow Agent shall accept receipt of the Transfer Documents.

(b) Promptly upon the timely and successful transmission of the wire transfer called for in paragraph 1(c) of the Settlement Agreement, the Escrow Agent shall disburse the Transfer Documents to WPS, at which time the Transfer Documents shall be of full force and effect. Notwithstanding the foregoing, IA and WPS agree that, upon disbursement of the Transfer Documents to WPS according to this Agreement, the effective date for the transfer of IA's membership interest to WPS under the Transfer Documents shall be June 1, 2011.

(c) Upon the final distribution by the Escrow Agent of all Transfer Documents as provided in this Escrow Agreement, the Escrow Agent shall thereafter be discharged of any further duties or obligations under this Escrow Agreement. This Escrow Agreement shall terminate upon the final transfer and delivery by the Escrow Agent of the Transfer Documents as provided herein.

ARTICLE 4

ESCROW AGENT

Section 4.1 *Limitation of Duties.* The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no implied covenants or obligations shall be read into this Escrow Agreement against the Escrow Agent.

Section 4.2 *Permissible Reliance.*

(a) The Escrow Agent may rely and shall be protected in acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and reasonably believed by it to be genuine and to have been signed or presented by WPS or IA.

(b) The Escrow Agent shall be deemed to have properly delivered the Transfer Documents upon (i) placing the documents in the United States mail in a suitable package or envelope with first class prepaid postage affixed, addressed to the addressee at such addressee's address as set forth in this Escrow Agreement or such other address as such person shall have furnished to the Escrow Agent in writing; (ii) delivery in person at the offices of the Escrow Agent; or (iii) delivery in any other manner pursuant to written instructions of WPS, as applicable.

Section 4.3 *Liability of Escrow Agent.* Absent gross negligence or willful misconduct, the Escrow Agent shall not be liable to any of the parties hereto, or any other person for any action taken by it in good faith and believed by it to be authorized or within the rights and powers conferred upon it by this Escrow Agreement, and may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Escrow Agent is authorized by the parties to rely upon all representations, both actual and implied, of each of the parties relating to this Escrow Agreement and/or the Transfer Documents including, without limitation, representations as to authority to execute and deliver this Escrow Agreement, notifications, receipts or instructions hereunder, and the Escrow Agent shall not be liable to any person in any manner by reason of such reliance. Except as provided herein, Escrow Agent shall not be liable for, and WPS and IA jointly and severally hereby indemnify and agree to save harmless and reimburse Escrow Agent from and against, all losses, costs, liabilities, damages and expenses, including outside counsel fees, in connection with Escrow Agent's acceptance of, or the performance of, its duties and obligations as Escrow Agent under this Escrow Agreement.

Section 4.4 *Resignation of Escrow Agent.* The Escrow Agent may resign at any time upon thirty (30) days' prior written notice to the parties hereto. In such event, the parties hereto shall appoint a successor escrow agent and shall give the Escrow Agent notice of the address of the successor Escrow Agent within such 30 day notice period. Upon the effective date of its resignation, the Escrow Agent shall either (i) deliver the Transfer Documents to such successor escrow agent, or (ii) if it has not been notified of such a selected successor escrow agent, deliver the Transfer Documents, if any, that are still being held, to a successor escrow agent appointed by a court of competent jurisdiction upon the petition of the Escrow Agent.

ARTICLE 5

MISCELLANEOUS PROVISIONS

Section 5.1 *Notices.* All notices and communications hereunder shall be in writing and shall be deemed to be duly given when delivered by hand, when delivered into the hands of a recognized overnight courier (such as UPS) with delivery charges prepaid, or when mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as set forth above or at such other address as any of the above may have furnished to the other parties in writing in the manner described above.

Section 5.2 *Integration.* This Agreement shall constitute the entire agreement between the parties hereto with respect to the Escrow Agent transactions contemplated hereby.

Section 5.3 *Binding Agreement, Assignment.* This Escrow Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns; provided, however, that no assignment of this Escrow Agreement or any of the rights or obligations hereof shall relieve any party of its obligations under this Escrow Agreement.

Section 5.4 *Amendment; Waiver.* No amendment or waiver of any provision of this Escrow Agreement shall be valid and binding unless the same shall be in writing and signed, in the case of an amendment, by all of the parties hereto, or in the case of a waiver, by the party against whom the waiver is to be effective. No waiver by any party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence. No delay or omission on the part of any party in exercising any right, power or remedy under this Escrow Agreement shall operate as a waiver of such right, power or remedy hereunder.

Section 5.5 *Warranty of Authority.* Each party executing this Escrow Agreement warrants his or its authority to execute this Escrow Agreement.

Section 5.6 *Execution.* This Escrow Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which constitute one and the same instrument. This Escrow Agreement may be executed by facsimile signature pages which shall have the same force and effect as original executed signature pages.

Section 5.7 *General.* If any provision of this Escrow Agreement shall be found by any court of competent jurisdiction to be invalid or unenforceable, the parties hereby waive such provision to the extent that it is found to be invalid or unenforceable. Such provision shall, to the maximum extent allowable by law, be modified by such court so that it becomes enforceable, and, as modified, shall be enforced as any other provision hereof, all the other provisions hereof continuing in full force and effect. The headings contained in this Escrow Agreement are for

reference purposes only and shall not in any way affect the meaning or interpretation hereof.
This Agreement is to be construed and enforced under the laws of the State of North Carolina.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed as of the date and year first above written.

TRANSFEROR:

TRANSFeree:

INTERNATIONAL APPAREL, LTD.

WHISPERING PINES SPORTSWEAR, INC.

By: _____

By: ASB

Its: _____

Its: PERSON T

Dated: _____

Dated: 8/30/12

ESCROW AGENT:

Hirschler Fleischer,
A Professional Corporation

By: _____

Its: _____

Dated: _____

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed as of the date and year first above written.

TRANSFEROR:

TRANSFeree:

INTERNATIONAL APPAREL, LTD.

WHISPERING PINES SPORTSWEAR, INC.

By: *L. Robert Brown*

By: _____

Its: *President*

Its: _____

Dated: *2/27/12*

Dated: _____

ESCROW AGENT:

Hirschler Fleischer,
A Professional Corporation

By: _____

Its: _____

Dated: _____

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed as of the date and year first above written.

TRANSFEROR:

TRANSFeree:

INTERNATIONAL APPAREL, LTD.

WHISPERING PINES SPORTSWEAR, INC.

By: _____

By: _____

Its: _____

Its: _____

Dated: _____

Dated: _____

ESCROW AGENT:

Hirschler Fleischer,
A Professional Corporation

By:  _____

Its: Principal _____

Dated: 8-27-2012 _____

EXHIBIT 1

The Transfer Documents consist of the following:

1. Membership Interest Assignment (the form of which is attached as Exhibit A hereto)
2. Manager Resignations (the form of which is attached as Exhibit B hereto)

EXHIBIT A

Assignment of Membership Interest
of
Proline Sportswear, LLC

International Apparel, Ltd. ("Transferor"), being the owner and holder of an aggregate 50% of all of the membership interests consisting of 500 Units (the "Interest") in Proline Sportswear, LLC, a North Carolina limited liability company ("Company"), hereby assigns, transfers, and conveys to WHISPERING PINES SPORTSWEAR, INC. ("Transferee"), effective as of June 1, 2011 all of Transferor's right, title, and interest in the Interest (consisting of 500 Units), including all of its interest in profits, losses, and distributions associated with such Interest, and all of its interest in the capital account associated with such Interest, and Transferor acknowledges that it has no further interest or rights in the Company's profits, allocated losses or distributions, or in its capital account.

IN WITNESS WHEREOF, this Assignment of Membership Interest has been executed by Transferor to be effective as of June 1, 2011 at 12:01 am.

TRANSFEROR:

International Apparel, Ltd.

By: _____
Name: _____
Title: _____

EXHIBIT B

INTERNATIONAL APPAREL, LTD.

11616 Fairfax Meadow Circle, Suite 19103
Fairfax, VA 22030

DATE: _____

Member/Managers
Proline Sportswear, LLC
c/o Whispering Pines Sportswear, LLC
506 State Road S-13-903
Pageland, SC 29728

Re: Resignation as Managers of PROLINE SPORTSWEAR, LLC

Dear Whispering Pines Sportswear, LLC:

Inasmuch as International Apparel has transferred its ownership interest to Whispering Pines pursuant to that certain settlement agreement dated _____, it is the Purpose of this letter to resign the Manager positions of C. Robert Brewer and Vikrant Sharma, who were appointed as managers previously by International Apparel. By this notice, International Apparel resigns any all positions of authority previously held in PROLINE SPORTSWEAR, LLC. Thanking you for your attention to these matters, I am,

Very truly yours,
International Apparel, LTD

By: _____
C. Robert Brewer, President

Seen and approved:

C. Robert Brewer

Vikrant Sharma