Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
THE APPAREL GROUP, LTD. EMPLOYEE SAVINGS AND PROTECTION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 04/01/1985

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
THE APPAREL GROUP, LTD.

883 TRINITY DRIVE
LEWISVILLE, TX 75056

2b Employer Identification Number (EIN) 13-5569505

2c Sponsor's telephone number 214-469-3321

2d Business code (see instructions) 424300

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2011	TERRY LAY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
THE APPAREL GROUP, LTD.

883 TRINITY DRIVE
LEWISVILLE, TX 75056

3b Administrator's EIN
13-5569505

3c Administrator's telephone number
214-469-3321

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	300
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	172
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	121
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	293
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	293
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	258
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		___ **A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan	**B** Three-digit plan number (PN) ▶	
THE APPAREL GROUP, LTD. EMPLOYEE SAVINGS AND PROTECTION PLAN		002
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
THE APPAREL GROUP, LTD.	13-5569505	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

ALGER

13-2665689

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

ALLIANZ FUNDS

33-0457728

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

AMERICAN FUNDS

95-1411037

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

COLUMBIA

93-0577450

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

DAVIS FUNDS

52-1346931

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

VICTORY

13-2700161

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

INVESCO AIM

76-0528004

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

NEUBERGER BERMAN

13-5521910

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

THORNBURG

85-0301299

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

WELLS FARGO BANK, N.A.

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 37 49 50 52 60 62 63 64	SERVICE PROVIDER	15761	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

WELLS FARGO ADVISORS, LLC

23-2384840

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 52	NONE	20153	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
THE APPAREL GROUP, LTD. EMPLOYEE SAVINGS AND PROTECTION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
THE APPAREL GROUP, LTD.

D Employer Identification Number (EIN)
13-5569505

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: DIVERSIFIED STABLE VALUE FUND

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
56-6592596-001	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: ENHANCED STOCK MARKET FUND

b Name of sponsor of entity listed in (a): WACHOVIA BANK, N.A.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
56-6288528-001	C	509088

a Name of MTIA, CCT, PSA, or 103-12 IE: STABLE RETURN FUND

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
41-6202499-001	C	2550042

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
THE APPAREL GROUP, LTD. EMPLOYEE SAVINGS AND PROTECTION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
THE APPAREL GROUP, LTD.

D Employer Identification Number (EIN)
13-5569505

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	186921	180501
(9) Value of interest in common/collective trusts	1c(9)	3073884	3059130
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	6869467	7745705
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	10130272	10985336
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	10130272	10985336

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	422973	
	(B) Participants	2a(1)(B)	666639	
	(C) Others (including rollovers)	2a(1)(C)	7919	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1097531
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	9222	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		9222
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	46645	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		46645
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		133800
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		959424
c Other income	2c		22778
d Total income. Add all **income** amounts in column (b) and enter total	2d		2269400
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1272215	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1272215
f Corrective distributions (see instructions)	2f		85084
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	57037	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		57037
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1414336
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		855064
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: SMITH LEONARD PLLC (2) EIN: 20-5907591

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
THE APPAREL GROUP, LTD. EMPLOYEE SAVINGS AND PROTECTION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
THE APPAREL GROUP, LTD.

D Employer Identification Number (EIN)
13-5569505

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 56-1354495

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

SMITH LEONARD
Accountants & Consultants

Smith Leonard PLLC
4035 Premier Drive, Suite 300
High Point, NC 27265-8132
Phone: 336.883.0181, Fax: 336.841.8764

Independent Auditors' Report

The Plan Administrator
The Apparel Group, Ltd. Employee Savings and Protection Plan
Lewisville, Texas

We were engaged to audit the accompanying financial statements of The Apparel Group, Ltd. Employee Savings and Protection Plan as of and for the years ended December 31, 2010 and 2009, and the supplemental schedule as of December 31, 2010, as listed in the table of contents. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 4, which was certified by Wells Fargo Bank, N.A. (formerly Wachovia Bank, N.A.), the trustee, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee and custodian hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Smith Leonard PLLC

October 11, 2011

The Apparel Group, Ltd. Employee Savings and Protection Plan

Financial Statements and Supplemental Schedule

Years Ended December 31, 2010 and 2009



SMITH LEONARD
Accountants & Consultants

The Apparel Group, Ltd. Employee Savings and Protection Plan

Financial Statements and Supplemental Schedule

Years Ended December 31, 2010 and 2009

The Apparel Group, Ltd. Employee Savings and Protection Plan

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Supplemental Schedule

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) – December 31, 2010 **18**

SMITH LEONARD
Accountants & Consultants

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Smith Leonard PLLC

October 11, 2011

The Apparel Group, Ltd. Employee Savings and Protection Plan

Statements of Net Assets Available for Benefits

December 31,	**2010**	2009
Assets		
Investments, at fair value	**$ 10,859,661**	$ 9,886,590
Notes receivable from participants	**180,501**	186,921
Total assets	**11,040,162**	10,073,511
Liabilities		
Excess contributions payable	**39,939**	85,611
Net assets available for benefits at fair value	**11,000,223**	9,987,900
Adjustment from fair value to contract value for interest in common collective trust funds	**(54,826)**	56,761
Net assets available for benefits	**$ 10,945,397**	$ 10,044,661

See accompanying independent auditors' report and notes to financial statements.

The Apparel Group, Ltd. Employee Savings and Protection Plan

Statements of Changes in Net Assets Available for Benefits

Year ended December 31,	**2010**	2009
Additions		
Investment income:		
Interest and dividends	**$ 46,645**	$ 61,739
Net appreciation in value of investments	**1,111,703**	1,623,169
Total investment income	**1,158,348**	1,684,908
Interest income on notes reeivable from participants	**9,222**	11,758
Contributions:		
Participants	**630,999**	513,342
Employer	**422,973**	364,925
Rollover	**7,919**	31,611
Total additions	**2,229,461**	2,606,544
Deductions		
Benefits paid to participants	**1,271,688**	1,526,181
Administrative expenses	**57,037**	49,495
Total deductions	**1,328,725**	1,575,676
Net increase	**900,736**	1,030,868
Net assets available for benefits, beginning of year	**10,044,661**	9,013,793
Net assets available for benefits, end of year	**$ 10,945,397**	$ 10,044,661

See accompanying independent auditors' report and notes to financial statements.

The Apparel Group, Ltd. Employee Savings and Protection Plan

Notes to Financial Statements

1. Description of Plan The following description of The Apparel Group, Ltd. (the "Company") Employee Savings and Protection Plan (the "Plan") provides only general information. Participants should refer to the summary plan description for a more complete description of the Plan's provisions.

General – The Plan is a defined contribution plan covering substantially all employees of the Company. An employee who has attained age 20 and has worked three consecutive months is eligible to participate in the Plan as of the first day of the month coinciding with or following the date the employee has satisfied such requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions – Participants may elect to contribute pre-tax and/or after-tax amounts equal to or less than their annual compensation, subject to certain limitations prescribed under the Internal Revenue Code (the "IRC"). As of July 1, 2010, eligible employees will be automatically enrolled to defer 3% of compensation unless they elect an alternative deferral percent or decline participation in the Plan. Participants who have attained age 50 are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans.

The Company may make a discretionary matching contribution. For 2010 and 2009, the Company matched 100% of participant contributions up to 5% of compensation as defined by the Plan. Effective January 1, 2011, the Plan was amended to provide for an enhanced safe harbor matching contribution of 100% of participant contributions up to 5% of compensation. The Plan also includes a discretionary profit sharing contribution, which is determined annually by the Company. Discretionary profit sharing contributions are allocated to participants based on the percentage of each participant's compensation to total compensation of all eligible participants. The Company made no discretionary profit sharing contribution in 2010 or 2009.

1. Description of Plan (Continued)

Participant Accounts – Participants can choose to invest their contributions in various investment options offered by the Plan. Each participant's account is credited with the participant's and employer's contribution. Allocations of investment income and administrative expenses are based on participant balances or transactions as defined.

Vesting – Participants are immediately vested in their contributions, the Company's discretionary matching contribution, and actual earnings thereon. The discretionary profit sharing contribution vests 20% after one year of service and increases 20% each additional year with 100% vesting after the completion of five years of service. Effective January 1, 2011, participants will be immediately vested in all contributions.

Payment of Benefits – Upon termination of service due to death, disability, retirement or separation, a participant may elect to receive a lump-sum payment or installment payments. In-service distributions may be made to participants who have reached age 59½. Withdrawals from the Plan may also be made upon circumstances of financial hardship or disability, in accordance with the provisions specified in the Plan.

Forfeitures – Upon distribution of a participant's balance for termination, break in service, or retirement, any amount that is not vested is considered forfeited. Forfeitures shall be applied to offset administrative expenses and Company matching contributions. During the years ended December 31, 2010 and 2009, no forfeitures were used to reduce plan expenses. As of December 31, 2010, forfeitures in the amount of $5,378 were available to offset future administrative expenses or Company matching contributions.

See accompanying independent auditors' report.

1. Description of Plan (Concluded)

Notes Receivable from Participants – A vested participant may borrow from their accounts a minimum of $1,000 up to a maximum of one-half of the vested portion of the participant's account not to exceed $50,000. Notes are secured by the participant's vested account balance and are stated at the outstanding principal balance. The term of the participant note are five years unless used to purchase a principle residence for which the term can be up to 10 years. Participants may have up to two notes at a time.

Administrative Expenses – The Company absorbs certain expenses incidental to the administration of the Plan, including internal administrative costs. Other fees, including trustee, recordkeeping and asset, are paid by the Plan. Loan and distribution fees are paid out of participant accounts.

2. Accounting Policies

Basis of Accounting – The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates – Preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Valuation and Income Recognition – The Plan's investments in mutual funds and common collective trust funds are stated at fair value, primarily based on quoted market values. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

See accompanying independent auditors' report.

2. Accounting Policies (Continued)

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through common collective trust funds. Therefore, the statements of net assets available for benefits presents the fair value of the investment in the common collective trust funds as well as the adjustment of the investment in the common collective trust funds from fair value to contract value for these investment contracts. The statements of changes in net assets available for benefits are prepared on a contract value basis.

Notes Receivable from Participants – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits – Benefits are recorded when paid.

Recent Accounting Pronouncements – In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2010-06, Improving Disclosures about Fair Value Measurements (Topic 820) – Fair Value Measurements and Disclosures ("ASU 2010-06"), to add additional disclosures about the different classes of assets and liabilities measured at fair value, the valuation techniques and inputs used, and the activity in Level 3 fair value measurements. The Plan has adopted ASU 2010-06 for the year ended December 31, 2010 and has expanded the fair value disclosures in Note 9 accordingly.

See accompanying independent auditors' report.

2. Accounting Policies (Concluded)

In September 2010, FASB issued Accounting Standards Update 2010-25, Reporting Loans to Participants by Defined Contribution Pension Plans ("ASU 2010-25"). ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued but unpaid interest and to be classified as notes receivable from participants. Previously, loans were measured at fair value and classified as investments. The Plan has adopted ASU 2010-25 for the year ended December 31, 2010 and has reclassified participant loans to notes receivable from participants as of December 31, 2010 and 2009.

3. Investments

The current value of individual investments that represent 5 percent or more of the Plan's net assets are as follows:

December 31,	**2010**	2009
At contract value:		
Stable Return Fund	**$2,550,042**	$ -
Diversified Stable Value Fund	*****	2,690,072
At fair value:		
The Growth Fund of America	**1,154,860**	1,041,893
International Value Fund	**965,138**	774,834
Midcap Growth Fund	**730,881**	638,017
Special Value Fund	**723,495**	623,804
Bond Fund of America	**654,853**	887,582
Income Fund of America	**610,693**	644,693

* Less than 5%.

See accompanying independent auditors' report.

3. Investments (Concluded)

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

December 31,	**2010**	2009
Mutual funds	**$ 982,202**	$ 1,507,121
Common collective trust funds	**129,501**	116,048
	$ 1,111,703	$ 1,623,169

4. Information Certified by the Plan's Trustee and Custodian

The plan administrator has elected the method of annual reporting compliance permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustee and custodian have certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate.

December 31,	**2010**	2009
Investments	**$ 10,804,835**	$ 9,943,351
Notes receivable from participants	**180,501**	186,921

Year ended December 31,	**2010**	2009
Interest and dividends	**$ 46,645**	$ 61,739
Net appreciation in value of investments	**1,111,703**	1,623,169
Interest income on notes receivable from participants	**9,222**	11,758

See accompanying independent auditors' report.

5. Risk and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

6. Income Tax Status

The Plan has adopted a non-standardized document sponsored by Wachovia Bank, N.A. ("Wachovia"). The Internal Revenue Service ("IRS") has determined and informed Wachovia by a letter dated August 30, 2001, that the Plan is qualified and tax-exempt under the appropriate sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Company believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits relative to the Plan for any tax periods in progress. Certain federal tax returns from prior years are subject to examination by the IRS.

7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of plan termination, participant accounts will become fully vested and nonforfeitable.

See accompanying independent auditors' report.

8. Transactions with Parties-in-Interest

Certain investments of the Plan are shares of mutual funds and common collective trust funds managed by the Plan's trustee, Wells Fargo Bank, N.A. ("Wells Fargo"). These transactions qualify as party-in-interest. Fees paid to Wells Fargo by the Plan for trustee, recordkeeping and investment management services were $35,914 and $49,495 for the years ended December 31, 2010 and 2009.

9. Fair Value Measurements

The Plan adopted ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820") which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under ASC 820 are as follows:

Basis of Fair Value Measurements

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2010 and 2009.

Mutual funds and common collective trust funds: Valued at the net asset value ("NAV") of shares held by the Plan at year-end.

See accompanying independent auditors' report.

9. Fair Value Measurements (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table summarizes the investments by level as defined within the fair value hierarchy as of December 31, 2010.

	Investment Assets at Fair Value			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds:				
Large growth	$ 1,154,860	$ -	$ -	$ 1,154,860
Foreign large growth	1,142,524	-	-	1,142,524
Mid-cap growth	730,881	-	-	730,881
Mid-cap blend	723,495	-	-	723,495
Intermediate-term bond	654,853	-	-	654,853
Moderate allocation	610,693	-	-	610,693
Large value	483,897	-	-	483,897
Small growth	444,708	-	-	444,708
Large blend	351,640	-	-	351,640
Small blend	335,763	-	-	335,763
Mid-cap value	309,885	-	-	309,885
Target date	271,502	-	-	271,502
Small value	270,092	-	-	270,092
Health	201,921	-	-	201,921
Real estate	42,671	-	-	42,671
Retirement income	16,320	-	-	16,320
Common collective trust funds:				
Fixed income	-	2,604,869	-	2,604,869
Equity	-	509,087	-	509,087
	$ 7,745,705	$ 3,113,956	$ -	$ 10,859,661

See accompanying independent auditors' report.

9. Fair Value Measurements (Concluded)

The following table summarizes the investments by level as defined within the fair value hierarchy as of December 31, 2009.

	Investment Assets at Fair Value			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds:				
Large growth	$ 1,041,893	$ -	$ -	$ 1,041,893
Intermediate-term bond	887,582	-	-	887,582
Foreign large growth	774,834	-	-	774,834
Moderate allocation	644,693	-	-	644,693
Mid-cap growth	638,017	-	-	638,017
Mid-cap blend	623,804	-	-	623,804
Large value	376,469	-	-	376,469
Small growth	374,437	-	-	374,437
Mutual fund equity	373,339	-	-	373,339
Mid-cap value	309,944	-	-	309,944
Large blend	291,112	-	-	291,112
Health	199,326	-	-	199,326
Small value	182,622	-	-	182,622
International value	120,880	-	-	120,880
Real estate	30,515	-	-	30,515
Common collective trust funds:				
Fixed income	-	2,633,311	-	2,633,311
Equity	-	383,812	-	383,812
	$ 6,869,467	$ 3,017,123	$ -	$ 9,886,590

See accompanying independent auditors' report.

10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

December 31,	**2010**	2009
Net assets available for benefits – financial statements	**$ 10,945,397**	$ 10,044,661
Excess contributions payable	**39,939**	85,611
Net assets available for benefits – Form 5500	**$ 10,985,336**	$ 10,130,272

The following is a reconciliation of total additions per the financial statements to the Form 5500:

Year ended December 31,	**2010**
Total additions – financial statements	**$ 2,229,461**
Excess contributions payable, end of year	**39,939**
Total additions – Form 5500	**$ 2,269,400**

The following is a reconciliation of total deductions per the financial statements to the Form 5500:

Year ended December 31,	**2010**
Total deductions – financial statements	**$ 1,328,725**
Excess contributions payable, beginning of year	**85,611**
Total deductions – Form 5500	**$ 1,414,336**

See accompanying independent auditors' report.

11. Subsequent Events

Effective January 1, 2011, the Company authorized an amendment to the Plan providing for the addition of safe harbor provisions as outlined in Note 1. Participants should refer to the current summary plan description for a more complete description of these changes. In addition, The Apparel Maker, LLC was added as a participating employer of the Plan.

Management has evaluated events occurring subsequent to the balance sheet date through October 11, 2011, the date the financial statements were available to be issued and has determined that no additional events have occurred that require adjustments to or additional disclosure in the financial statements.

See accompanying independent auditors' report.

The Apparel Group, Ltd. Employee Savings and Protection Plan

EIN: 13-5569505
Plan: 002
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) – December 31, 2010

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Wells Fargo Advantage	Stable Return Fund	**	$ 2,550,042
*	Wells Fargo Advantage	Enhanced Stock Market Fund	**	509,088
	Total Common Collective Trust Funds			3,059,130
	American Funds	The Growth Fund of America	**	1,154,860
	Thornburg	International Value Fund	**	965,138
	Alger	Mid Cap Growth Fund	**	730,881
	Victory	Special Value Fund	**	723,495
	American Funds	Bond Fund of America	**	654,853
	American Funds	Income Fund of America	**	610,693
	Columbia	Diversified Equity Income Fund	**	483,897
	Neuberger Berman	Small Cap Growth Fund	**	444,708
	Davis Funds	New York Venture Fund	**	351,640
	Invesco	Small Companies Fund	**	335,763
	Columbia	Mid Cap Value Fund	**	309,885
	Allianz Funds	NFJ Small Cap Value Fund	**	270,092
*	Wells Fargo Advantage	Health Care Fund	**	201,921
	Invesco	International Growth Fund	**	177,386
*	Wells Fargo Advantage	DJ Target 2025	**	151,375
*	Wells Fargo Advantage	DJ Target 2035	**	53,821
*	Wells Fargo Advantage	DJ Target 2050	**	53,540
	Invesco	Real Estate Fund	**	42,671
*	Wells Fargo Advantage	DJ Target Today	**	16,320
*	Wells Fargo Advantage	DJ Target 2015	**	5,874
*	Wells Fargo Advantage	DJ Target 2010	**	5,826
*	Wells Fargo Advantage	DJ Target 2040	**	724
*	Wells Fargo Advantage	DJ Target 2030	**	342
	Total Mutual Funds			7,745,705
*	Notes Receivable from Participants	Interest Rates of 4.25% - 8.25%	**	180,501
				$ 10,985,336

* - Indicates party-in-interest to the Plan.
** - The cost of participant-directed investments is not required to be disclosed.

See accompanying independent auditors' report.

The Apparel Group, Ltd. Employee Savings and Protection Plan

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	American Funds	Bond Fund of America	**	654,853
	American Funds	Income Fund of America	**	610,693
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	Neuberger Berman	Small Cap Growth Fund	**	444,708
	Davis Funds	New York Venture Fund	**	351,640
	Invesco	Small Companies Fund	**	335,763
	Columbia	Mid Cap Value Fund	**	309,885
	Allianz Funds	NFJ Small Cap Value Fund	**	270,092
*	Wells Fargo Advantage	Health Care Fund	**	201,921
	Invesco	International Growth Fund	**	177,386
*	Wells Fargo Advantage	DJ Target 2025	**	151,375
*	Wells Fargo Advantage	DJ Target 2035	**	53,821
*	Wells Fargo Advantage	DJ Target 2050	**	53,540
	Invesco	Real Estate Fund	**	42,671
*	Wells Fargo Advantage	DJ Target Today	**	16,320
*	Wells Fargo Advantage	DJ Target 2015	**	5,874
*	Wells Fargo Advantage	DJ Target 2010	**	5,826
*	Wells Fargo Advantage	DJ Target 2040	**	724
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	Total Mutual Funds			7,745,705
*	Notes Receivable from Participants	Interest Rates of 4.25% - 8.25%	**	180,501
				$ 10,985,336

* - Indicates party-in-interest to the Plan.
** - The cost of participant-directed investments is not required to be disclosed.

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