

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), 6057(b), 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
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ 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:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>DISTINCTIVE APPAREL INC 401K PLAN</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>07/31/2008</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>DISTINCTIVE APPAREL INC</u> <u>42 THOMAS PATTEN DRIVE</u> <u>RANDOLPH, MA 02780</u>	2b Employer Identification Number (EIN) <u>90-0727554</u> 2c Sponsor's telephone number <u>781-437-9878</u> 2d Business code (see instructions) <u>454110</u>

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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/15/2012</u>	<u>VICKY QUIGLEY</u>
	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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") DISTINCTIVE APPAREL INC 42 THOMAS PATTEN DRIVE RANDOLPH, MA 02780	3b Administrator's EIN 90-0727554 3c Administrator's telephone number 781-437-9878
--	---

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 WOMENS APPAREL GROUP LLC	4b EIN 26-3006772 4c PN 001	
5 Total number of participants at the beginning of the plan year	5	332
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	36
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	63
d Subtotal. Add lines 6a , 6b , and 6c	6d	99
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	99
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	95
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	8
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:

2J 2F 2K 2G 2E 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)	9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	(1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ 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) ☒ **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) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☒ 1 **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance 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. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2011 <hr/> This Form is Open to Public Inspection
--	---	---

For calendar plan year 2011 or fiscal plan year beginning **01/01/2011** and ending **12/31/2011**

A Name of plan DISTINCTIVE APPAREL INC 401K PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 DISTINCTIVE APPAREL INC	D Employer Identification Number (EIN) 90-0727554	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
---------------	---

1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	041143	99	01/01/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	475432
5 Current value of plan's interest under this contract in separate accounts at year end	5	152292

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT**

b Balance at the end of the previous year	7b	968150
--	-----------	--------

c Additions: (1) Contributions deposited during the year	7c(1)	64353	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	19156	
(4) Transferred from separate account	7c(4)		
(5) Other (specify below)	7c(5)	189310	

▶ **LOAN REPAYMENTS, TRANSFERS IN, MISCELLANEOUS IN, FORFEITURE CREDITS**

(6) Total additions	7c(6)	272819
---------------------------	--------------	--------

d Total of balance and additions (add b and c(6))	7d	1240969
---	-----------	---------

e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	621113	
(2) Administration charge made by carrier	7e(2)	138	
(3) Transferred to separate account	7e(3)		
(4) Other (specify below)	7e(4)	144286	

▶ **LOAN INTITATIONS, TRANSFERS OUT, MISCELLANEOUS OUT, FORFEITURE DEBITS**

(5) Total deductions	7e(5)	765537
----------------------------	--------------	--------

f Balance at the end of the current year (subtract e(5) from d)	7f	475432
---	-----------	--------

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan DISTINCTIVE APPAREL INC 401K PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 DISTINCTIVE APPAREL INC	D Employer Identification Number (EIN) 90-0727554

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)..... ☒ 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
PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Enter name and EIN or address of person who provided you disclosure 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

(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

(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

(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)

LOCKTON INVESTMENT ADVISORS LLC

20-8874282

(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	NONE	13548	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

DICICCO, GULMAN, AND COMPANY LLP

04-3296226

(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?
14	NONE	7159	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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?
13 15 37 50 64	NONE	6466	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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)

(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: DICICCO, GULMAN AND COMPANY LLP	b EIN: 04-3296226
c Position: AUDITOR	
d Address: 150 PRESIDENTIAL WAY SUITE 510 WOBURN, MA 01801	e Telephone: 781-937-5300

Explanation: RESIGNED DUTIES

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
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>DISTINCTIVE APPAREL INC 401K PLAN</u>	B Three-digit plan number (PN) <u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>DISTINCTIVE APPAREL INC</u>	D Employer Identification Number (EIN) <u>90-0727554</u>

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: DRYDEN S & P 500 INDEX FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN <u>06-1050034-123</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>152292</u>
---------------------------------------	-------------------------------	---

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)**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**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**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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>DISTINCTIVE APPAREL INC 401K PLAN</u>	B Three-digit plan number (PN) ►	<div style="border: 1px solid black; padding: 2px; font-weight: bold;">001</div>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DISTINCTIVE APPAREL INC</u>	D Employer Identification Number (EIN) <u>90-0727554</u>	

	Part I Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	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)	104668	28036
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)	188639	152292
	(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)	4599310	2380524
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	968150	457432
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	5860767	3018284

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5860767	3018284
---	-----------	---------	---------

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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)	422213	
(C) Others (including rollovers)	2a(1)(C)	8133	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		430346

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)	2979	
(F) Other	2b(1)(F)	19156	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		22135

(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)	40165	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		40165

(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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		1189
(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)		-113235
c Other income.....	2c		13548
d Total income. Add all income amounts in column (b) and enter total.....	2d		394148

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3207170	
(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)		3207170
f Corrective distributions (see instructions)	2f		
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)	29461	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		29461
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3236631

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-2842483
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) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: REZNICK GROUP, P.C.

(2) EIN: 52-1088612

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.).....	☒	☐	51899
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.).....	☐	☒	
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.)	☐	☒	
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.).....	☐	☒	
e Was this plan covered by a fidelity bond?.....	☒	☐	500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	☐	☒	
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?	☐	☒	
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?	☐	☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☒	☐	
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.).....	☐	☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	☐	☒	
l Has the plan failed to provide any benefit when due under the plan?	☐	☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	☐	☒	
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.	☐	☐	

- 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 2011 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>DISTINCTIVE APPAREL INC 401K PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DISTINCTIVE APPAREL INC</u>	D Employer Identification Number (EIN) <u>90-0727554</u>

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	<u>0</u>
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): <u>22-1211670</u>		
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 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 (include any prior year accumulated funding deficiency not waived)	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 or other authority 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. 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): _____

- 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): _____

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

DISTINCTIVE APPAREL, INC 401(K) PLAN

DECEMBER 31, 2011 AND 2010

Distinctive Apparel, Inc. 401(k) Plan

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS	5
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS	6
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTAL INFORMATION	
SCHEDULE OF ASSETS (HELD AT END OF YEAR)	20
SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS	21

INDEPENDENT AUDITORS' REPORT

To the Trustees
Distinctive Apparel, Inc. 401(k) Plan

We were engaged to audit the accompanying statements of net assets available for benefits of Distinctive Apparel, Inc. 401(k) Plan as of December 31, 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011 and the supplemental schedule of assets (held at end of year) as of December 31, 2011 and the schedule of delinquent participant contributions. These financial statements and supplemental schedules are the responsibility of the Plan's management. The financial statements as of December 31, 2010, were audited by other auditors. As permitted by 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 (ERISA), the Plan Administrator instructed the other auditors not to perform, and they did not perform any auditing procedures with respect to the information certified by Prudential Bank & Trust, F.S.B. the trustee and Prudential Retirement Insurance and Annuity Company, the custodian. Their report dated October 13, 2011, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from information certified by the trustee and custodian of the Plan, was presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA.

As permitted by 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 Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, the trustee and custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee and custodian held the Plan's investment assets and executed investment transactions. The Plan administrator has obtained certifications from the trustees as of December 31, 2011 and for the year then ended, that the information provided to the Plan administrator by the trustee and custodian 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 schedules taken as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee

Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee and custodian, 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.

Reznick Group, P.C.

Bethesda, Maryland
October 15, 2012

Distinctive Apparel, Inc. 401(k) Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

ASSETS		
	<u>2011</u>	<u>2010</u>
Investments, fair value		
Participant directed investments	\$ 2,974,497	\$ 5,745,629
Unallocated investments	<u>15,752</u>	<u>10,470</u>
Total investments	2,990,249	5,756,099
Receivables		
Participant notes receivable	<u>28,035</u>	<u>104,668</u>
Total assets	<u>\$ 3,018,284</u>	<u>\$ 5,860,767</u>
LIABILITIES		
Contributions refundable	<u>\$ 10,777</u>	<u>\$ -</u>
Net assets available for benefits	<u><u>\$ 3,007,507</u></u>	<u><u>\$ 5,860,767</u></u>

See notes to financial statements

Distinctive Apparel, Inc. 401(k) Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2011

Additions to net assets attributed to:

Investment loss and interest on participant notes receivable	
Interest and dividends	\$ 59,321
Interest on participant notes receivable	2,979
Net depreciation in fair value of investments	<u>(112,046)</u>
Net investment loss and interest on participant notes receivable	<u>(49,746)</u>

Contributions

Participant	422,213
Rollover	8,133
Other	<u>13,548</u>

Total contributions	<u>443,894</u>
---------------------	----------------

Total additions	<u>394,148</u>
-----------------	----------------

Deductions

Benefits paid	3,217,947
Administrative expenses	<u>29,461</u>

Total deductions	<u>3,247,408</u>
------------------	------------------

Net decrease	(2,853,260)
--------------	-------------

Net assets available for benefits

Beginning of year	<u>5,860,767</u>
End of year	<u><u>\$ 3,007,507</u></u>

See notes to financial statements

Distinctive Apparel, Inc. 401(k) Plan
NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1 - PLAN DESCRIPTION

The following description of the Distinctive Apparel, Inc. 401 (k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a prototype defined contribution plan covering certain employees not covered by the collective bargaining agreement of Women's Apparel Group, LLC. On June 29, 2011 an involuntary petition was filed against the Employer under Chapter 7 of United States Bankruptcy Code (the "Bankruptcy Filing"). The Bankruptcy Filing was subsequently modified to a petition for reorganization under Chapter 11. The Bankruptcy Filing was due to Women's Apparel Group, LLC continued inability to pay its debts as they became due.

On October 31, 2011, the assets of Women's Apparel Group, LLC were sold to Distinctive Apparel, Inc. (the "Company"). The Plan continued under the Company and covers substantially all employees of the Company who are not covered by the collective bargaining agreement. Employees are eligible to make elective deferrals after completing ninety days of service and are 21 years of age. Employees are eligible to receive Company contributions following their completion of one year of service. Prudential Bank & Trust F.S.B (Prudential) is the trustee of the Plan and Prudential Retirement Insurance and Annuity Company, ("PRIAC"), is the custodian of the guaranteed income fund and pooled separate account. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, eligible employees may contribute up to 50% of pretax annual compensation, as defined in the Plan, and subject to the annual limits of the Internal Revenue Code. Contributions are made through payroll deductions. Participants may also contribute amounts representing distributions from other qualified plans.

Pursuant to the plan document, the Company can make discretionary matching contributions. During the year ended December 31, 2011, no matching contribution was made. Participants direct the investment of their contributions and any employer contributions into the twelve investment options.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loan terms are up to five years, but may extend beyond five years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at prime rate (3.25% as of December 31, 2011 and 2010, respectively), as defined, plus 1%. Principal and interest are paid through payroll deductions.

Participant Accounts

Individual participant accounts are credited with employee contributions and employer match contributions. Plan earnings are allocated to participant accounts based on the investment option selected and the investment performance of each fund. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Payment of Benefits

Upon termination of service due to death, disability, voluntary termination, or retirement, a participant or beneficiary may elect to receive either a lump-sum distribution or installment payments in an amount equal to the value of the Participant's vested interest in his or her account. The payment can either be a cash distribution to the Participant or a tax free rollover to an individual retirement account or another qualified plan. If a Participant's vested account is more than \$1,000 but less than \$5,000, the Plan administrator, after notification, may distribute the benefit into an individual retirement account. If the vested account balance is less than \$1,000, the Plan administrator, after notification, may distribute the account balance to the Participant.

In-service withdrawals from the Participant's elective accounts are permitted upon reaching age 59 1/2. In-service withdrawals are also permitted from the Participant's vested employer matching contributions and discretionary non-elective contributions after 60 months of participation in the Plan. Hardship distributions are also permitted from the Participant's vested account balance (after exhausting all other financial resources) if certain criteria are met. Deferrals must be suspended for six months after receipt of a hardship distribution.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

Vesting

Participants are immediately vested in their contributions, plus actual earnings thereon. For purposes of determining the vesting of the Company's contribution portion of their accounts plus actual earnings, the vesting schedule is as follows:

<u>Years of service</u>	<u>Vesting percentage</u>
Less than 2 year	0%
2 years but less than 3 years	20%
3 years but less than 4 years	40%
4 years but less than 5 years	60%
5 years but less than 6 years	80%
6 years or more	100%

Prior to October 31, 2011 a participant earned a year of service by completing at least 500 hours of service during a plan year. Effective October 31, 2011, a participant earned a year of service by completing at least 1,000 hours of service during a Plan year.

Forfeitures

Forfeited non-vested amounts are retained in the Plan and may be used to reduce future Company contributions and Plan expenses. As of December 31, 2011 and 2010, forfeitures amounted to \$ 15,752 and \$10,469, respectively, and are held in the Guaranteed Investment Contract.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Valuations and Income Recognition

The Plan's investments are stated at fair value. Shares of registered investment companies (mutual funds and money market funds) are reported at fair value based on the quoted market price of the fund, which represents the net asset value of the shares held by the fund at year-end. The fair value of the participation units owned by the Plan in the pooled separate accounts is based on the net assets of the underlying pool of securities on the last business day of the Plan year as determined by Prudential Retirement Insurance and Annuity Company. The fair value of the guaranteed investment contract is valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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 Plan presents, on the statement of changes in net assets available for benefits, the net appreciation in the fair value of its investments which consists of the realized gains or losses, the unrealized appreciation (depreciation) on those investments, and reinvested dividends. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

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. As required by the accounting standards, the statements of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis. The trustee has certified that the contract value and the fair value of the guaranteed investment contract approximate the same value.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

Participant Notes Receivable

Participant loans are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Benefits Paid

Benefits are recorded when paid.

Administrative Expenses

The Company pays substantially all administrative expenses of the Plan. Certain investment management fees and other charges paid to the trustee are offset against fund performance in net realized and unrealized appreciation in fair value of investments and are therefore, not separately reflected as administrative expenses.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. 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.

Subsequent Events

Events that occur after the statement of net assets available for benefits date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net assets available for benefits date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net assets available for benefits date require disclosure in the accompanying notes. Management evaluated the activity through October 15, 2012 (the date the financial statements were issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE 3 - FAIR VALUE

The accounting standard for fair value measurement and disclosures requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to value the assets or liabilities. Level 1 provides the most reliable measure of fair value whereas Level 3 generally requires signification management judgment.

The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;
- Level 2 - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable and fair value can be determined through the use of models or other valuation methodologies; and
- Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

The following table set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011:

Assets measured at fair value on a recurring basis:	Fair value at December 31, 2011	Level 1	Level 2	Level 3
Registered investment companies:				
Small Cap Stock - Blend	\$ 7,920	\$ 7,920	\$ -	\$ -
Small Cap Stock - Growth	47,915	47,915	-	-
Small Cap Stock - Value	202,419	202,419	-	-
Mid Cap Stock - Growth	330,175	330,175	-	-
Mid Cap Stock - Value	34,067	34,067	-	-
Large Cap Stock - Growth	378,249	378,249	-	-
Large Cap Stock - Value	478,193	478,193	-	-
International Stock - Blend	540,458	540,458	-	-
International Stock - Emerging Markets	4,757	4,757	-	-
Fixed Income - Intermediate Bond	338,373	338,373	-	-
Pooled separate accounts:				
Large Cap Stock - Blend	152,292	-	152,292	-
Guaranteed investment contract	475,431	-	-	475,431
Total	<u>\$ 2,990,249</u>	<u>\$ 2,362,526</u>	<u>\$ 152,292</u>	<u>\$ 475,431</u>

The following table set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010:

Assets measured at fair value on a recurring basis:	Fair value at December 31, 2010	Level 1	Level 2	Level 3
Registered investment companies:				
Small Cap Stock - Blend	\$ 8,736	\$ 8,736	\$ -	\$ -
Small Cap Stock - Growth	85,569	85,569	-	-
Small Cap Stock - Value	408,771	408,771	-	-
Mid Cap Stock - Growth	581,420	581,420	-	-
Mid Cap Stock - Value	80,187	80,187	-	-
Large Cap Stock - Growth	959,571	959,571	-	-
Large Cap Stock - Value	1,126,830	1,126,830	-	-
International Stock - Blend	697,197	697,197	-	-
International Stock - Emerging Markets	19,020	19,020	-	-
Fixed Income - Intermediate Bond	632,009	632,009	-	-
Pooled separate accounts:				
Large Cap Stock - Blend	188,639	-	188,639	-
Guaranteed investment contract	968,150	-	-	968,150
Total	<u>\$ 5,756,099</u>	<u>\$ 4,599,310</u>	<u>\$ 188,639</u>	<u>\$ 968,150</u>

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

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.

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investments for the year ended December 31, 2011:

)		Beginning fair value	Gains/losses included in investment income	Purchases, sales, issuances, maturities, settlements, calls, net	Ending fair value
	Guaranteed investment contract	<u>\$ 968,150</u>	<u>\$ 19,155</u>	<u>\$ (511,874)</u>	<u>\$ 475,431</u>

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE 4 - INVESTMENTS CERTIFIED BY PLAN TRUSTEE AND CUSTODIAN
(UNAUDITED)

All investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2011 and 2010 and net realized and unrealized appreciation in fair value of investments, dividend and interest income for the year ended December 31, 2011, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the trustee and custodian as of December 31, 2011 and 2010, and for the year ended December 31, 2011.

		2011		2010
		<hr/>		<hr/>
Guaranteed Income Fund	* \$	475,431	* \$	968,150
Dryden S&P 500 Index Fund	*	152,292		188,639
American Funds EuroPacific Growth Fund R3	*	540,458	*	697,197
American Funds Growth Fund of America R3	*	378,249	*	959,571
Wells Fargo Advantage Emerging Growth A		47,915		-
Alger MidCap Growth Institutional I	*	330,175	*	571,036
Columbia Mid Cap Value A		34,067		80,187
PIMCO Total Return Fund A	*	338,373	*	632,009
Allianz NFJ Small Cap Growth Institutional I	*	202,419	*	408,771
Oppenheimer Developing Markets Fund		4,757		19,020
Principal SmallCap S&P 600 R-3		7,920		8,736
BlackRock Equity Dividend R	*	478,193	*	1,126,830
Wells Fargo Advantage Small Cap Growth A		-		85,569
Principal MidCap S&P 400 Index R3		-		10,384
		<hr/>		<hr/>
	\$	2,990,249	\$	5,756,099
		<hr/>		<hr/>

* Investments that represent 5% or more of Plan net assets

During the year ended December 31, 2011, the Plan's participant directed investments (including investments bought, sold, and held during the year) depreciated in fair value as determined by quoted market prices by \$112,046.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE 5 - INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Plan invests in a guaranteed income fund, which holds a fully benefit-responsive synthetic guaranteed investment contract with Prudential Retirement Insurance & Annuity Company. Prudential Retirement Insurance & Annuity Company maintains the contributions in an insurance company issued general account evergreen group annuity spread product. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The Plan owns a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity insurance contract. There are not any specific securities in the general account that back the liabilities of this annuity contract. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Contract value approximates fair value at December 31, 2011 and 2010, respectively. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment contract at contract value. There are no events known by the issuer which are probable of occurring which would limit the ability of the Plan to transact at contract value with participants. The average yield earned by the Plan was 2.35% and 2.85% for 2011 and 2010, respectively. The average yield crediting interest rate was 2.35% and 2.85% for 2011 and 2010, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than 1.5% percent. Such interest rates are reviewed on a semi-annual basis for resetting.

NOTE 6 - 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.

NOTE 7 - INCOME TAX STATUS

The Plan adopted a Defined Contribution Prototype Plan which received a favorable opinion letter from the Internal Revenue Service (IRS) on March 31, 2008 which stated that the Plan and related trust, as then designed, were designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan's administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

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 a government authority. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, 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 for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 8 - 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:

	<u>2011</u>
Net assets available for benefits per the financial statements	\$ 3,007,507
Contribution refundable	<u>10,777</u>
Net assets available for benefits per Form 5500	<u><u>\$ 3,018,284</u></u>

The following is a reconciliation of benefits paid per the financial statements to the Form 5500 for the year ended December 31, 2011:

	<u>2011</u>
Total benefits paid per the financial statements	\$ 3,217,947
Contribution refundable	<u>(10,777)</u>
Total benefits paid per Form 5500	<u><u>\$ 3,207,170</u></u>

NOTE 9 - DELINQUENT PARTICIPANT CONTRIBUTIONS

During 2010 certain employee contributions and loan repayments were not transferred to the Plan on a timely basis. Under ERISA, such delinquent contributions are considered prohibited transactions that are reported on Schedule H of Form 5500. Plan management is

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

currently in the process of restoring lost earnings to participant accounts and filing Form 5330.

SUPPLEMENTAL INFORMATION

Distinctive Apparel, Inc. 401(k) Plan

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
Form 5500 - Schedule H Part IV (i)
EIN # 90-0727554, Plan 001

December 31, 2011

Identity of issuer, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral	Current value
* Guaranteed Income Fund	Unallocated Insurance Contract	\$ 475,431
* Dryden S&P 500 Index Fund	Pooled Separate Account	152,292
American Funds EuroPacific Growth Fund R3	Registered Investment Company	540,458
American Funds Growth Fund of America R3	Registered Investment Company	378,249
Wells Fargo Advantage Emerging Growth A	Registered Investment Company	47,915
Alger MidCap Growth Institutional I	Registered Investment Company	330,175
Columbia Mid Cap Value A	Registered Investment Company	34,067
PIMCO Total Return Fund A	Registered Investment Company	338,373
Allianz NFJ Small Cap Growth Institutional I	Registered Investment Company	202,419
Oppenheimer Developing Markets Fund	Registered Investment Company	4,757
Principal SmallCap S&P 600 R-3	Registered Investment Company	7,920
BlackRock Equity Dividend R	Registered Investment Company	478,193
* Participant notes receivable	Interest rates ranging from 4.25% - 9.25%	28,035
		<u>\$ 3,018,284</u>

* Party-in-interest

Note: Cost information is not required for participant-directed investments and has therefore not been included.

Distinctive Apparel, Inc. 401(k) Plan

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

Form 5500 - Schedule H Part IV (a)

EIN # 90-0727554, Plan 001

December 31, 2011

Year	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions		
		Contributions Not Corrected	Contributions Corrected Outside the VFCP	Contributions Pending Correction in VFCP
2010	\$ 51,899	\$ 51,899	\$ -	\$ -

NOTE: On Part III of the Schedule C we have indicated that there was a termination of an Accountant or Enrolled Actuary. In addition to reporting this information on the Schedule C, the terminated accountant or enrolled actuary must be provided a copy of the explanation for the termination. They must also be advised of their opportunity to submit comments to the Department of Labor on the explanation.

For your convenience we have included a letter that contains the information that must be provided to the terminated party. This letter, or a similar message, must be signed and dated by the plan administrator, and sent to the terminated accountant or enrolled actuary.

To: Diccico, Gulman & Company LLP,

I, as plan administrator, verify that the explanation that is reproduced below is the explanation concerning your termination reported on the Schedule C (Form 5500) attached to the 2011 Annual Return/Report Form 5500 for the Distinctive Apparel Inc 401K Plan. This Form 5500 is identified in line 2b by the nine-digit EIN 90-0727554, and in line 1b by the three-digit PN 001.

Explanation: Resigned Duties

You have the opportunity to comment to the Department of Labor concerning any aspect of this explanation. Comments should include the name, EIN, and PN of the plan and be submitted to:

Office of Enforcement
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210.

Signature of Plan Administrator

Date

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

DISTINCTIVE APPAREL, INC 401(K) PLAN

DECEMBER 31, 2011 AND 2010

Distinctive Apparel, Inc. 401(k) Plan

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS	5
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS	6
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTAL INFORMATION	
SCHEDULE OF ASSETS (HELD AT END OF YEAR)	20
SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS	21

INDEPENDENT AUDITORS' REPORT

To the Trustees
Distinctive Apparel, Inc. 401(k) Plan

We were engaged to audit the accompanying statements of net assets available for benefits of Distinctive Apparel, Inc. 401(k) Plan as of December 31, 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011 and the supplemental schedule of assets (held at end of year) as of December 31, 2011 and the schedule of delinquent participant contributions. These financial statements and supplemental schedules are the responsibility of the Plan's management. The financial statements as of December 31, 2010, were audited by other auditors. As permitted by 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 (ERISA), the Plan Administrator instructed the other auditors not to perform, and they did not perform any auditing procedures with respect to the information certified by Prudential Bank & Trust, F.S.B. the trustee and Prudential Retirement Insurance and Annuity Company, the custodian. Their report dated October 13, 2011, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from information certified by the trustee and custodian of the Plan, was presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA.

As permitted by 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 Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, the trustee and custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee and custodian held the Plan's investment assets and executed investment transactions. The Plan administrator has obtained certifications from the trustees as of December 31, 2011 and for the year then ended, that the information provided to the Plan administrator by the trustee and custodian 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 schedules taken as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee

Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee and custodian, 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.

Reznick Group, P.C.

Bethesda, Maryland
October 15, 2012

Distinctive Apparel, Inc. 401(k) Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

ASSETS		
	<u>2011</u>	<u>2010</u>
Investments, fair value		
Participant directed investments	\$ 2,974,497	\$ 5,745,629
Unallocated investments	<u>15,752</u>	<u>10,470</u>
Total investments	2,990,249	5,756,099
Receivables		
Participant notes receivable	<u>28,035</u>	<u>104,668</u>
Total assets	<u>\$ 3,018,284</u>	<u>\$ 5,860,767</u>
LIABILITIES		
Contributions refundable	<u>\$ 10,777</u>	<u>\$ -</u>
Net assets available for benefits	<u><u>\$ 3,007,507</u></u>	<u><u>\$ 5,860,767</u></u>

See notes to financial statements

Distinctive Apparel, Inc. 401(k) Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2011

Additions to net assets attributed to:

Investment loss and interest on participant notes receivable	
Interest and dividends	\$ 59,321
Interest on participant notes receivable	2,979
Net depreciation in fair value of investments	<u>(112,046)</u>
Net investment loss and interest on participant notes receivable	<u>(49,746)</u>

Contributions

Participant	422,213
Rollover	8,133
Other	<u>13,548</u>

Total contributions	<u>443,894</u>
---------------------	----------------

Total additions	<u>394,148</u>
-----------------	----------------

Deductions

Benefits paid	3,217,947
Administrative expenses	<u>29,461</u>

Total deductions	<u>3,247,408</u>
------------------	------------------

Net decrease	(2,853,260)
--------------	-------------

Net assets available for benefits

Beginning of year	<u>5,860,767</u>
End of year	<u><u>\$ 3,007,507</u></u>

See notes to financial statements

Distinctive Apparel, Inc. 401(k) Plan
NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1 - PLAN DESCRIPTION

The following description of the Distinctive Apparel, Inc. 401 (k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a prototype defined contribution plan covering certain employees not covered by the collective bargaining agreement of Women's Apparel Group, LLC. On June 29, 2011 an involuntary petition was filed against the Employer under Chapter 7 of United States Bankruptcy Code (the "Bankruptcy Filing"). The Bankruptcy Filing was subsequently modified to a petition for reorganization under Chapter 11. The Bankruptcy Filing was due to Women's Apparel Group, LLC continued inability to pay its debts as they became due.

On October 31, 2011, the assets of Women's Apparel Group, LLC were sold to Distinctive Apparel, Inc. (the "Company"). The Plan continued under the Company and covers substantially all employees of the Company who are not covered by the collective bargaining agreement. Employees are eligible to make elective deferrals after completing ninety days of service and are 21 years of age. Employees are eligible to receive Company contributions following their completion of one year of service. Prudential Bank & Trust F.S.B (Prudential) is the trustee of the Plan and Prudential Retirement Insurance and Annuity Company, ("PRIAC"), is the custodian of the guaranteed income fund and pooled separate account. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, eligible employees may contribute up to 50% of pretax annual compensation, as defined in the Plan, and subject to the annual limits of the Internal Revenue Code. Contributions are made through payroll deductions. Participants may also contribute amounts representing distributions from other qualified plans.

Pursuant to the plan document, the Company can make discretionary matching contributions. During the year ended December 31, 2011, no matching contribution was made. Participants direct the investment of their contributions and any employer contributions into the twelve investment options.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loan terms are up to five years, but may extend beyond five years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at prime rate (3.25% as of December 31, 2011 and 2010, respectively), as defined, plus 1%. Principal and interest are paid through payroll deductions.

Participant Accounts

Individual participant accounts are credited with employee contributions and employer match contributions. Plan earnings are allocated to participant accounts based on the investment option selected and the investment performance of each fund. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Payment of Benefits

Upon termination of service due to death, disability, voluntary termination, or retirement, a participant or beneficiary may elect to receive either a lump-sum distribution or installment payments in an amount equal to the value of the Participant's vested interest in his or her account. The payment can either be a cash distribution to the Participant or a tax free rollover to an individual retirement account or another qualified plan. If a Participant's vested account is more than \$1,000 but less than \$5,000, the Plan administrator, after notification, may distribute the benefit into an individual retirement account. If the vested account balance is less than \$1,000, the Plan administrator, after notification, may distribute the account balance to the Participant.

In-service withdrawals from the Participant's elective accounts are permitted upon reaching age 59 1/2. In-service withdrawals are also permitted from the Participant's vested employer matching contributions and discretionary non-elective contributions after 60 months of participation in the Plan. Hardship distributions are also permitted from the Participant's vested account balance (after exhausting all other financial resources) if certain criteria are met. Deferrals must be suspended for six months after receipt of a hardship distribution.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

Vesting

Participants are immediately vested in their contributions, plus actual earnings thereon. For purposes of determining the vesting of the Company's contribution portion of their accounts plus actual earnings, the vesting schedule is as follows:

<u>Years of service</u>	<u>Vesting percentage</u>
Less than 2 year	0%
2 years but less than 3 years	20%
3 years but less than 4 years	40%
4 years but less than 5 years	60%
5 years but less than 6 years	80%
6 years or more	100%

Prior to October 31, 2011 a participant earned a year of service by completing at least 500 hours of service during a plan year. Effective October 31, 2011, a participant earned a year of service by completing at least 1,000 hours of service during a Plan year.

Forfeitures

Forfeited non-vested amounts are retained in the Plan and may be used to reduce future Company contributions and Plan expenses. As of December 31, 2011 and 2010, forfeitures amounted to \$ 15,752 and \$10,469, respectively, and are held in the Guaranteed Investment Contract.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Valuations and Income Recognition

The Plan's investments are stated at fair value. Shares of registered investment companies (mutual funds and money market funds) are reported at fair value based on the quoted market price of the fund, which represents the net asset value of the shares held by the fund at year-end. The fair value of the participation units owned by the Plan in the pooled separate accounts is based on the net assets of the underlying pool of securities on the last business day of the Plan year as determined by Prudential Retirement Insurance and Annuity Company. The fair value of the guaranteed investment contract is valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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 Plan presents, on the statement of changes in net assets available for benefits, the net appreciation in the fair value of its investments which consists of the realized gains or losses, the unrealized appreciation (depreciation) on those investments, and reinvested dividends. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

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. As required by the accounting standards, the statements of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis. The trustee has certified that the contract value and the fair value of the guaranteed investment contract approximate the same value.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

Participant Notes Receivable

Participant loans are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Benefits Paid

Benefits are recorded when paid.

Administrative Expenses

The Company pays substantially all administrative expenses of the Plan. Certain investment management fees and other charges paid to the trustee are offset against fund performance in net realized and unrealized appreciation in fair value of investments and are therefore, not separately reflected as administrative expenses.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. 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.

Subsequent Events

Events that occur after the statement of net assets available for benefits date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net assets available for benefits date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net assets available for benefits date require disclosure in the accompanying notes. Management evaluated the activity through October 15, 2012 (the date the financial statements were issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE 3 - FAIR VALUE

The accounting standard for fair value measurement and disclosures requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to value the assets or liabilities. Level 1 provides the most reliable measure of fair value whereas Level 3 generally requires signification management judgment.

The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;
- Level 2 - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable and fair value can be determined through the use of models or other valuation methodologies; and
- Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

The following table set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011:

Assets measured at fair value on a recurring basis:	Fair value at December 31, 2011	Level 1	Level 2	Level 3
Registered investment companies:				
Small Cap Stock - Blend	\$ 7,920	\$ 7,920	\$ -	\$ -
Small Cap Stock - Growth	47,915	47,915	-	-
Small Cap Stock - Value	202,419	202,419	-	-
Mid Cap Stock - Growth	330,175	330,175	-	-
Mid Cap Stock - Value	34,067	34,067	-	-
Large Cap Stock - Growth	378,249	378,249	-	-
Large Cap Stock - Value	478,193	478,193	-	-
International Stock - Blend	540,458	540,458	-	-
International Stock - Emerging Markets	4,757	4,757	-	-
Fixed Income - Intermediate Bond	338,373	338,373	-	-
Pooled separate accounts:				
Large Cap Stock - Blend	152,292	-	152,292	-
Guaranteed investment contract	475,431	-	-	475,431
Total	<u>\$ 2,990,249</u>	<u>\$ 2,362,526</u>	<u>\$ 152,292</u>	<u>\$ 475,431</u>

The following table set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010:

Assets measured at fair value on a recurring basis:	Fair value at December 31, 2010	Level 1	Level 2	Level 3
Registered investment companies:				
Small Cap Stock - Blend	\$ 8,736	\$ 8,736	\$ -	\$ -
Small Cap Stock - Growth	85,569	85,569	-	-
Small Cap Stock - Value	408,771	408,771	-	-
Mid Cap Stock - Growth	581,420	581,420	-	-
Mid Cap Stock - Value	80,187	80,187	-	-
Large Cap Stock - Growth	959,571	959,571	-	-
Large Cap Stock - Value	1,126,830	1,126,830	-	-
International Stock - Blend	697,197	697,197	-	-
International Stock - Emerging Markets	19,020	19,020	-	-
Fixed Income - Intermediate Bond	632,009	632,009	-	-
Pooled separate accounts:				
Large Cap Stock - Blend	188,639	-	188,639	-
Guaranteed investment contract	968,150	-	-	968,150
Total	<u>\$ 5,756,099</u>	<u>\$ 4,599,310</u>	<u>\$ 188,639</u>	<u>\$ 968,150</u>

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

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.

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investments for the year ended December 31, 2011:

)		Beginning fair value	Gains/losses included in investment income	Purchases, sales, issuances, maturities, settlements, calls, net	Ending fair value
	Guaranteed investment contract	<u>\$ 968,150</u>	<u>\$ 19,155</u>	<u>\$ (511,874)</u>	<u>\$ 475,431</u>

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE 4 - INVESTMENTS CERTIFIED BY PLAN TRUSTEE AND CUSTODIAN
(UNAUDITED)

All investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2011 and 2010 and net realized and unrealized appreciation in fair value of investments, dividend and interest income for the year ended December 31, 2011, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the trustee and custodian as of December 31, 2011 and 2010, and for the year ended December 31, 2011.

		2011		2010
		<hr/>		<hr/>
Guaranteed Income Fund	* \$	475,431	* \$	968,150
Dryden S&P 500 Index Fund	*	152,292		188,639
American Funds EuroPacific Growth Fund R3	*	540,458	*	697,197
American Funds Growth Fund of America R3	*	378,249	*	959,571
Wells Fargo Advantage Emerging Growth A		47,915		-
Alger MidCap Growth Institutional I	*	330,175	*	571,036
Columbia Mid Cap Value A		34,067		80,187
PIMCO Total Return Fund A	*	338,373	*	632,009
Allianz NFJ Small Cap Growth Institutional I	*	202,419	*	408,771
Oppenheimer Developing Markets Fund		4,757		19,020
Principal SmallCap S&P 600 R-3		7,920		8,736
BlackRock Equity Dividend R	*	478,193	*	1,126,830
Wells Fargo Advantage Small Cap Growth A		-		85,569
Principal MidCap S&P 400 Index R3		-		10,384
		<hr/>		<hr/>
	\$	2,990,249	\$	5,756,099
		<hr/>		<hr/>

* Investments that represent 5% or more of Plan net assets

During the year ended December 31, 2011, the Plan's participant directed investments (including investments bought, sold, and held during the year) depreciated in fair value as determined by quoted market prices by \$112,046.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE 5 - INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Plan invests in a guaranteed income fund, which holds a fully benefit-responsive synthetic guaranteed investment contract with Prudential Retirement Insurance & Annuity Company. Prudential Retirement Insurance & Annuity Company maintains the contributions in an insurance company issued general account evergreen group annuity spread product. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The Plan owns a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity insurance contract. There are not any specific securities in the general account that back the liabilities of this annuity contract. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Contract value approximates fair value at December 31, 2011 and 2010, respectively. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment contract at contract value. There are no events known by the issuer which are probable of occurring which would limit the ability of the Plan to transact at contract value with participants. The average yield earned by the Plan was 2.35% and 2.85% for 2011 and 2010, respectively. The average yield crediting interest rate was 2.35% and 2.85% for 2011 and 2010, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than 1.5% percent. Such interest rates are reviewed on a semi-annual basis for resetting.

NOTE 6 - 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.

NOTE 7 - INCOME TAX STATUS

The Plan adopted a Defined Contribution Prototype Plan which received a favorable opinion letter from the Internal Revenue Service (IRS) on March 31, 2008 which stated that the Plan and related trust, as then designed, were designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan's administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

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 a government authority. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, 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 for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 8 - 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:

	<u>2011</u>
Net assets available for benefits per the financial statements	\$ 3,007,507
Contribution refundable	<u>10,777</u>
Net assets available for benefits per Form 5500	<u><u>\$ 3,018,284</u></u>

The following is a reconciliation of benefits paid per the financial statements to the Form 5500 for the year ended December 31, 2011:

	<u>2011</u>
Total benefits paid per the financial statements	\$ 3,217,947
Contribution refundable	<u>(10,777)</u>
Total benefits paid per Form 5500	<u><u>\$ 3,207,170</u></u>

NOTE 9 - DELINQUENT PARTICIPANT CONTRIBUTIONS

During 2010 certain employee contributions and loan repayments were not transferred to the Plan on a timely basis. Under ERISA, such delinquent contributions are considered prohibited transactions that are reported on Schedule H of Form 5500. Plan management is

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

currently in the process of restoring lost earnings to participant accounts and filing Form 5330.

SUPPLEMENTAL INFORMATION

Distinctive Apparel, Inc. 401(k) Plan

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
Form 5500 - Schedule H Part IV (i)
EIN # 90-0727554, Plan 001

December 31, 2011

Identity of issuer, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral	Current value
* Guaranteed Income Fund	Unallocated Insurance Contract	\$ 475,431
* Dryden S&P 500 Index Fund	Pooled Separate Account	152,292
American Funds EuroPacific Growth Fund R3	Registered Investment Company	540,458
American Funds Growth Fund of America R3	Registered Investment Company	378,249
Wells Fargo Advantage Emerging Growth A	Registered Investment Company	47,915
Alger MidCap Growth Institutional I	Registered Investment Company	330,175
Columbia Mid Cap Value A	Registered Investment Company	34,067
PIMCO Total Return Fund A	Registered Investment Company	338,373
Allianz NFJ Small Cap Growth Institutional I	Registered Investment Company	202,419
Oppenheimer Developing Markets Fund	Registered Investment Company	4,757
Principal SmallCap S&P 600 R-3	Registered Investment Company	7,920
BlackRock Equity Dividend R	Registered Investment Company	478,193
* Participant notes receivable	Interest rates ranging from 4.25% - 9.25%	28,035
		<u>\$ 3,018,284</u>

* Party-in-interest

Note: Cost information is not required for participant-directed investments and has therefore not been included.

Distinctive Apparel, Inc. 401(k) Plan

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

Form 5500 - Schedule H Part IV (a)

EIN # 90-0727554, Plan 001

December 31, 2011

Year	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions		
		Contributions Not Corrected	Contributions Corrected Outside the VFCP	Contributions Pending Correction in VFCP
2010	\$ 51,899	\$ 51,899	\$ -	\$ -

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

DISTINCTIVE APPAREL, INC 401(K) PLAN

DECEMBER 31, 2011 AND 2010

Distinctive Apparel, Inc. 401(k) Plan

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS	5
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS	6
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTAL INFORMATION	
SCHEDULE OF ASSETS (HELD AT END OF YEAR)	20
SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS	21

INDEPENDENT AUDITORS' REPORT

To the Trustees
Distinctive Apparel, Inc. 401(k) Plan

We were engaged to audit the accompanying statements of net assets available for benefits of Distinctive Apparel, Inc. 401(k) Plan as of December 31, 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011 and the supplemental schedule of assets (held at end of year) as of December 31, 2011 and the schedule of delinquent participant contributions. These financial statements and supplemental schedules are the responsibility of the Plan's management. The financial statements as of December 31, 2010, were audited by other auditors. As permitted by 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 (ERISA), the Plan Administrator instructed the other auditors not to perform, and they did not perform any auditing procedures with respect to the information certified by Prudential Bank & Trust, F.S.B. the trustee and Prudential Retirement Insurance and Annuity Company, the custodian. Their report dated October 13, 2011, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from information certified by the trustee and custodian of the Plan, was presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA.

As permitted by 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 Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, the trustee and custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee and custodian held the Plan's investment assets and executed investment transactions. The Plan administrator has obtained certifications from the trustees as of December 31, 2011 and for the year then ended, that the information provided to the Plan administrator by the trustee and custodian 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 schedules taken as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee

Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee and custodian, 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.

Reznick Group, P.C.

Bethesda, Maryland
October 15, 2012

Distinctive Apparel, Inc. 401(k) Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

ASSETS		
	<u>2011</u>	<u>2010</u>
Investments, fair value		
Participant directed investments	\$ 2,974,497	\$ 5,745,629
Unallocated investments	<u>15,752</u>	<u>10,470</u>
Total investments	2,990,249	5,756,099
Receivables		
Participant notes receivable	<u>28,035</u>	<u>104,668</u>
Total assets	<u>\$ 3,018,284</u>	<u>\$ 5,860,767</u>
LIABILITIES		
Contributions refundable	<u>\$ 10,777</u>	<u>\$ -</u>
Net assets available for benefits	<u><u>\$ 3,007,507</u></u>	<u><u>\$ 5,860,767</u></u>

See notes to financial statements

Distinctive Apparel, Inc. 401(k) Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2011

Additions to net assets attributed to:

Investment loss and interest on participant notes receivable	
Interest and dividends	\$ 59,321
Interest on participant notes receivable	2,979
Net depreciation in fair value of investments	<u>(112,046)</u>
Net investment loss and interest on participant notes receivable	<u>(49,746)</u>

Contributions

Participant	422,213
Rollover	8,133
Other	<u>13,548</u>

Total contributions	<u>443,894</u>
---------------------	----------------

Total additions	<u>394,148</u>
-----------------	----------------

Deductions

Benefits paid	3,217,947
Administrative expenses	<u>29,461</u>

Total deductions	<u>3,247,408</u>
------------------	------------------

Net decrease	(2,853,260)
--------------	-------------

Net assets available for benefits

Beginning of year	<u>5,860,767</u>
End of year	<u><u>\$ 3,007,507</u></u>

See notes to financial statements

Distinctive Apparel, Inc. 401(k) Plan
NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1 - PLAN DESCRIPTION

The following description of the Distinctive Apparel, Inc. 401 (k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a prototype defined contribution plan covering certain employees not covered by the collective bargaining agreement of Women's Apparel Group, LLC. On June 29, 2011 an involuntary petition was filed against the Employer under Chapter 7 of United States Bankruptcy Code (the "Bankruptcy Filing"). The Bankruptcy Filing was subsequently modified to a petition for reorganization under Chapter 11. The Bankruptcy Filing was due to Women's Apparel Group, LLC continued inability to pay its debts as they became due.

On October 31, 2011, the assets of Women's Apparel Group, LLC were sold to Distinctive Apparel, Inc. (the "Company"). The Plan continued under the Company and covers substantially all employees of the Company who are not covered by the collective bargaining agreement. Employees are eligible to make elective deferrals after completing ninety days of service and are 21 years of age. Employees are eligible to receive Company contributions following their completion of one year of service. Prudential Bank & Trust F.S.B (Prudential) is the trustee of the Plan and Prudential Retirement Insurance and Annuity Company, ("PRIAC"), is the custodian of the guaranteed income fund and pooled separate account. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, eligible employees may contribute up to 50% of pretax annual compensation, as defined in the Plan, and subject to the annual limits of the Internal Revenue Code. Contributions are made through payroll deductions. Participants may also contribute amounts representing distributions from other qualified plans.

Pursuant to the plan document, the Company can make discretionary matching contributions. During the year ended December 31, 2011, no matching contribution was made. Participants direct the investment of their contributions and any employer contributions into the twelve investment options.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loan terms are up to five years, but may extend beyond five years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at prime rate (3.25% as of December 31, 2011 and 2010, respectively), as defined, plus 1%. Principal and interest are paid through payroll deductions.

Participant Accounts

Individual participant accounts are credited with employee contributions and employer match contributions. Plan earnings are allocated to participant accounts based on the investment option selected and the investment performance of each fund. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Payment of Benefits

Upon termination of service due to death, disability, voluntary termination, or retirement, a participant or beneficiary may elect to receive either a lump-sum distribution or installment payments in an amount equal to the value of the Participant's vested interest in his or her account. The payment can either be a cash distribution to the Participant or a tax free rollover to an individual retirement account or another qualified plan. If a Participant's vested account is more than \$1,000 but less than \$5,000, the Plan administrator, after notification, may distribute the benefit into an individual retirement account. If the vested account balance is less than \$1,000, the Plan administrator, after notification, may distribute the account balance to the Participant.

In-service withdrawals from the Participant's elective accounts are permitted upon reaching age 59 1/2. In-service withdrawals are also permitted from the Participant's vested employer matching contributions and discretionary non-elective contributions after 60 months of participation in the Plan. Hardship distributions are also permitted from the Participant's vested account balance (after exhausting all other financial resources) if certain criteria are met. Deferrals must be suspended for six months after receipt of a hardship distribution.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

Vesting

Participants are immediately vested in their contributions, plus actual earnings thereon. For purposes of determining the vesting of the Company's contribution portion of their accounts plus actual earnings, the vesting schedule is as follows:

<u>Years of service</u>	<u>Vesting percentage</u>
Less than 2 year	0%
2 years but less than 3 years	20%
3 years but less than 4 years	40%
4 years but less than 5 years	60%
5 years but less than 6 years	80%
6 years or more	100%

Prior to October 31, 2011 a participant earned a year of service by completing at least 500 hours of service during a plan year. Effective October 31, 2011, a participant earned a year of service by completing at least 1,000 hours of service during a Plan year.

Forfeitures

Forfeited non-vested amounts are retained in the Plan and may be used to reduce future Company contributions and Plan expenses. As of December 31, 2011 and 2010, forfeitures amounted to \$ 15,752 and \$10,469, respectively, and are held in the Guaranteed Investment Contract.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Valuations and Income Recognition

The Plan's investments are stated at fair value. Shares of registered investment companies (mutual funds and money market funds) are reported at fair value based on the quoted market price of the fund, which represents the net asset value of the shares held by the fund at year-end. The fair value of the participation units owned by the Plan in the pooled separate accounts is based on the net assets of the underlying pool of securities on the last business day of the Plan year as determined by Prudential Retirement Insurance and Annuity Company. The fair value of the guaranteed investment contract is valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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 Plan presents, on the statement of changes in net assets available for benefits, the net appreciation in the fair value of its investments which consists of the realized gains or losses, the unrealized appreciation (depreciation) on those investments, and reinvested dividends. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

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. As required by the accounting standards, the statements of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis. The trustee has certified that the contract value and the fair value of the guaranteed investment contract approximate the same value.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

Participant Notes Receivable

Participant loans are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Benefits Paid

Benefits are recorded when paid.

Administrative Expenses

The Company pays substantially all administrative expenses of the Plan. Certain investment management fees and other charges paid to the trustee are offset against fund performance in net realized and unrealized appreciation in fair value of investments and are therefore, not separately reflected as administrative expenses.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. 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.

Subsequent Events

Events that occur after the statement of net assets available for benefits date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net assets available for benefits date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net assets available for benefits date require disclosure in the accompanying notes. Management evaluated the activity through October 15, 2012 (the date the financial statements were issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE 3 - FAIR VALUE

The accounting standard for fair value measurement and disclosures requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to value the assets or liabilities. Level 1 provides the most reliable measure of fair value whereas Level 3 generally requires signification management judgment.

The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;
- Level 2 - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable and fair value can be determined through the use of models or other valuation methodologies; and
- Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

The following table set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011:

Assets measured at fair value on a recurring basis:	Fair value at December 31, 2011	Level 1	Level 2	Level 3
Registered investment companies:				
Small Cap Stock - Blend	\$ 7,920	\$ 7,920	\$ -	\$ -
Small Cap Stock - Growth	47,915	47,915	-	-
Small Cap Stock - Value	202,419	202,419	-	-
Mid Cap Stock - Growth	330,175	330,175	-	-
Mid Cap Stock - Value	34,067	34,067	-	-
Large Cap Stock - Growth	378,249	378,249	-	-
Large Cap Stock - Value	478,193	478,193	-	-
International Stock - Blend	540,458	540,458	-	-
International Stock - Emerging Markets	4,757	4,757	-	-
Fixed Income - Intermediate Bond	338,373	338,373	-	-
Pooled separate accounts:				
Large Cap Stock - Blend	152,292	-	152,292	-
Guaranteed investment contract	475,431	-	-	475,431
Total	<u>\$ 2,990,249</u>	<u>\$ 2,362,526</u>	<u>\$ 152,292</u>	<u>\$ 475,431</u>

The following table set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010:

Assets measured at fair value on a recurring basis:	Fair value at December 31, 2010	Level 1	Level 2	Level 3
Registered investment companies:				
Small Cap Stock - Blend	\$ 8,736	\$ 8,736	\$ -	\$ -
Small Cap Stock - Growth	85,569	85,569	-	-
Small Cap Stock - Value	408,771	408,771	-	-
Mid Cap Stock - Growth	581,420	581,420	-	-
Mid Cap Stock - Value	80,187	80,187	-	-
Large Cap Stock - Growth	959,571	959,571	-	-
Large Cap Stock - Value	1,126,830	1,126,830	-	-
International Stock - Blend	697,197	697,197	-	-
International Stock - Emerging Markets	19,020	19,020	-	-
Fixed Income - Intermediate Bond	632,009	632,009	-	-
Pooled separate accounts:				
Large Cap Stock - Blend	188,639	-	188,639	-
Guaranteed investment contract	968,150	-	-	968,150
Total	<u>\$ 5,756,099</u>	<u>\$ 4,599,310</u>	<u>\$ 188,639</u>	<u>\$ 968,150</u>

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

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.

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investments for the year ended December 31, 2011:

)		Beginning fair value	Gains/losses included in investment income	Purchases, sales, issuances, maturities, settlements, calls, net	Ending fair value
	Guaranteed investment contract	<u>\$ 968,150</u>	<u>\$ 19,155</u>	<u>\$ (511,874)</u>	<u>\$ 475,431</u>

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE 4 - INVESTMENTS CERTIFIED BY PLAN TRUSTEE AND CUSTODIAN
(UNAUDITED)

All investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2011 and 2010 and net realized and unrealized appreciation in fair value of investments, dividend and interest income for the year ended December 31, 2011, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the trustee and custodian as of December 31, 2011 and 2010, and for the year ended December 31, 2011.

		2011		2010
		<hr/>		<hr/>
Guaranteed Income Fund	* \$	475,431	* \$	968,150
Dryden S&P 500 Index Fund	*	152,292		188,639
American Funds EuroPacific Growth Fund R3	*	540,458	*	697,197
American Funds Growth Fund of America R3	*	378,249	*	959,571
Wells Fargo Advantage Emerging Growth A		47,915		-
Alger MidCap Growth Institutional I	*	330,175	*	571,036
Columbia Mid Cap Value A		34,067		80,187
PIMCO Total Return Fund A	*	338,373	*	632,009
Allianz NFJ Small Cap Growth Institutional I	*	202,419	*	408,771
Oppenheimer Developing Markets Fund		4,757		19,020
Principal SmallCap S&P 600 R-3		7,920		8,736
BlackRock Equity Dividend R	*	478,193	*	1,126,830
Wells Fargo Advantage Small Cap Growth A		-		85,569
Principal MidCap S&P 400 Index R3		-		10,384
		<hr/>		<hr/>
	\$	2,990,249	\$	5,756,099
		<hr/>		<hr/>

* Investments that represent 5% or more of Plan net assets

During the year ended December 31, 2011, the Plan's participant directed investments (including investments bought, sold, and held during the year) depreciated in fair value as determined by quoted market prices by \$112,046.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE 5 - INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Plan invests in a guaranteed income fund, which holds a fully benefit-responsive synthetic guaranteed investment contract with Prudential Retirement Insurance & Annuity Company. Prudential Retirement Insurance & Annuity Company maintains the contributions in an insurance company issued general account evergreen group annuity spread product. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The Plan owns a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity insurance contract. There are not any specific securities in the general account that back the liabilities of this annuity contract. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Contract value approximates fair value at December 31, 2011 and 2010, respectively. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment contract at contract value. There are no events known by the issuer which are probable of occurring which would limit the ability of the Plan to transact at contract value with participants. The average yield earned by the Plan was 2.35% and 2.85% for 2011 and 2010, respectively. The average yield crediting interest rate was 2.35% and 2.85% for 2011 and 2010, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than 1.5% percent. Such interest rates are reviewed on a semi-annual basis for resetting.

NOTE 6 - 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.

NOTE 7 - INCOME TAX STATUS

The Plan adopted a Defined Contribution Prototype Plan which received a favorable opinion letter from the Internal Revenue Service (IRS) on March 31, 2008 which stated that the Plan and related trust, as then designed, were designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan's administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

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 a government authority. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, 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 for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 8 - 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:

	<u>2011</u>
Net assets available for benefits per the financial statements	\$ 3,007,507
Contribution refundable	<u>10,777</u>
Net assets available for benefits per Form 5500	<u><u>\$ 3,018,284</u></u>

The following is a reconciliation of benefits paid per the financial statements to the Form 5500 for the year ended December 31, 2011:

	<u>2011</u>
Total benefits paid per the financial statements	\$ 3,217,947
Contribution refundable	<u>(10,777)</u>
Total benefits paid per Form 5500	<u><u>\$ 3,207,170</u></u>

NOTE 9 - DELINQUENT PARTICIPANT CONTRIBUTIONS

During 2010 certain employee contributions and loan repayments were not transferred to the Plan on a timely basis. Under ERISA, such delinquent contributions are considered prohibited transactions that are reported on Schedule H of Form 5500. Plan management is

Distinctive Apparel, Inc. 401(k) Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

currently in the process of restoring lost earnings to participant accounts and filing Form 5330.

SUPPLEMENTAL INFORMATION

Distinctive Apparel, Inc. 401(k) Plan

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
Form 5500 - Schedule H Part IV (i)
EIN # 90-0727554, Plan 001

December 31, 2011

Identity of issuer, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral	Current value
* Guaranteed Income Fund	Unallocated Insurance Contract	\$ 475,431
* Dryden S&P 500 Index Fund	Pooled Separate Account	152,292
American Funds EuroPacific Growth Fund R3	Registered Investment Company	540,458
American Funds Growth Fund of America R3	Registered Investment Company	378,249
Wells Fargo Advantage Emerging Growth A	Registered Investment Company	47,915
Alger MidCap Growth Institutional I	Registered Investment Company	330,175
Columbia Mid Cap Value A	Registered Investment Company	34,067
PIMCO Total Return Fund A	Registered Investment Company	338,373
Allianz NFJ Small Cap Growth Institutional I	Registered Investment Company	202,419
Oppenheimer Developing Markets Fund	Registered Investment Company	4,757
Principal SmallCap S&P 600 R-3	Registered Investment Company	7,920
BlackRock Equity Dividend R	Registered Investment Company	478,193
* Participant notes receivable	Interest rates ranging from 4.25% - 9.25%	28,035
		<u>\$ 3,018,284</u>

* Party-in-interest

Note: Cost information is not required for participant-directed investments and has therefore not been included.

Distinctive Apparel, Inc. 401(k) Plan

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

Form 5500 - Schedule H Part IV (a)

EIN # 90-0727554, Plan 001

December 31, 2011

Year	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions		
		Contributions Not Corrected	Contributions Corrected Outside the VFCP	Contributions Pending Correction in VFCP
2010	\$ 51,899	\$ 51,899	\$ -	\$ -