SCHEDULE 14A INFORMATION

Proxy Statement Pursuant To Section 14(A) Of The Securities
Exchange Act Of 1934

FILED BY THE REGISTRANT [x]
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Check the appropriate box:

[ ] Preliminary Proxy Statement
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[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

DESIGNS, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):
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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

DESIGNS, INC.
Notice of Annual Meeting of Stockholders

to be held on August 8, 2002

Notice is hereby given that the 2002 Annual Meeting of Stockholders of Designs, Inc. (the "Company") will be held at the Friars Club, 57 East 55th Street, New York, New York at 9:00 A.M., local time, on August 8, 2002 for the following purposes:

1. To elect eight directors to serve until the next Annual Meeting of Stockholders and until their respective successors have been duly elected and qualified.
2. To amend the Company's Restated Certificate of Incorporation to change the Company's name from "Designs, Inc." to "Casual Male Retail Group, Inc."
3. To amend the Company's Restated Certificate of Incorporation to increase the authorized number of shares of the Company's common stock from 50,000,000 to 75,000,000.
4. To approve the issuance of additional common stock of the Company upon the conversion of outstanding preferred stock and the exercise of warrants.
5. To approve the change of the Company's state of incorporation from Delaware to Nevada through a reincorporation merger.
6. To ratify the selection of Ernst & Young LLP as independent auditors for the Company for the fiscal year ending February 1, 2003.
7. To transact such other business as may properly come before the meeting or any adjournment thereof.

These proposals are more fully described in the Proxy Statement following this Notice.

The Board of Directors recommends that you vote FOR the election of all eight nominees to serve as directors of the Company, FOR the amendment to the Company's Restated Certificate of Incorporation to change the Company's name, FOR the amendment to the Company's Restated Certificate of Incorporation to increase the authorized number of shares of common stock, FOR the approval to issue additional common stock, FOR the change of the Company's state of incorporation from Delaware to Nevada, and FOR the appointment of Ernst & Young LLP as the Company's independent auditors.

Along with the attached Proxy Statement, the Company is sending you copies of its Annual Report on Form 10-K for the fiscal year ended February 2, 2002, its Current Report on Form 8-K filed on May 23, 2002 and its Current Report on Form 8-K/A filed on June 14, 2002. The Current Reports provide information about the Company's recent acquisition of substantially all of the assets and the assumption of certain operating liabilities of Casual Male Corp., which occurred after the Company's Annual Report was filed.

The Board of Directors has fixed the close of business on June 20, 2002 as the record date for the determination of the stockholders entitled to notice of, and to vote at, the Annual Meeting. Accordingly, only stockholders of record at the close of business on that date will be entitled to vote at the Annual Meeting. A list of the stockholders of record as of the close of business on June 20, 2002 will be available for inspection by any stockholder of the Company for any purpose germane to the Annual Meeting during normal business hours at the Company's principal executive offices, 555 Turnpike Street, Canton, Massachusetts 02021, beginning on July 20, 2002 and at the Annual Meeting.

Stockholders are cordially invited to attend the Annual Meeting in person. Whether or not you plan to attend the Annual Meeting, please mark, date, sign and return the enclosed proxy to ensure that your shares are represented at the Annual Meeting. Stockholders who attend the Annual Meeting may vote their shares personally, even though they have sent in proxies.

By order of the Board of Directors,

/s/ DENNIS R. HERNREICH
DENNIS R. HERNREICH
Secretary

Canton, Massachusetts
July 8, 2002

IMPORTANT: Please mark, date, sign and return the enclosed proxy as soon as possible. The proxy is revocable and it will not be used if you give written notice of revocation to the Secretary of the Company at 555 Turnpike Street, Canton, Massachusetts 02021, prior to the vote to be taken at the Annual Meeting, if you lodge a later-dated proxy or if you attend and vote at the Annual Meeting.

DESIGNS, INC.
555 Turnpike Street
Canton, Massachusetts 02021
(781) 828-9300

Proxy Statement
Annual Meeting of Stockholders
August 8, 2002

USE OF PROXIES

This Proxy Statement and the enclosed form of proxy are being mailed to stockholders on or about July 8, 2002, in connection with the solicitation by the Board of Directors of Designs, Inc. (the "Company") of proxies to be used at the Annual Meeting of Stockholders, to be held at the Friars Club, 57 East 55th Street, New York, New York at 9:00 A.M., local time, on Thursday, August 8, 2002, and at any and all adjournments thereof (the "Annual Meeting"). When proxies are returned properly executed, the shares represented will be voted in accordance with the stockholders' instructions. Stockholders are encouraged to vote on the matters to be considered. However, if no instructions have been specified by a stockholder, the shares covered by an executed proxy will be voted (i) FOR the election of all eight nominees to serve as directors of the Company, (ii) FOR the amendment to the Company's Restated Certificate of Incorporation to change the Company's name to "Casual Male Retail Group, Inc.", (iii) FOR the amendment to the Company's Restated Certificate of Incorporation to increase the authorized number of shares of the Company's common stock, par value $0.01 per share ("Common Stock"), from 50,000,000 to 75,000,000, (iv) FOR the approval of the issuance of additional Common Stock, (v) FOR changing the Company's state of incorporation from Delaware to Nevada through a reincorporation merger, (subject to the discretion of the Board of Directors to defer or abandon such reincorporation), (vi) FOR the ratification of the appointment of Ernst & Young LLP as the Company's independent auditors, and (vii) in the discretion of the proxies named in the proxy card with respect to any other matters properly brought before the Annual Meeting. Any stockholder may revoke such stockholder's proxy at any time before it has been exercised by attending the Annual Meeting and voting in person or by filing with the Secretary of the Company either an instrument in writing revoking the proxy or another duly executed proxy bearing a later date.

Only holders of the Common Stock of record at the close of business on June 20, 2002, the record date for the Annual Meeting, will be entitled to notice of and to vote at the Annual Meeting. On that date, there were 15,999,010 shares of the Common Stock issued and outstanding, excluding shares held by the Company in treasury. Each share is entitled to one vote at the Annual Meeting. A plurality of the votes of shares of the Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors is required to elect directors, the affirmative vote of the majority of the shares of Common Stock outstanding and entitled to vote thereon is required to change the Company's name, to increase the authorized number of shares of Common Stock and to change the Company's state of incorporation and the affirmative vote of the majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote thereon is required for all other matters, including the issuance of additional Common Stock and the ratification of the appointment of the Company's independent auditors. No votes may be taken at the Annual Meeting, other than a vote to adjourn, unless a quorum, consisting of a majority of the shares of Common Stock outstanding as of the record date, is present in person or represented by proxy at the Annual Meeting. Any stockholder who attends the Annual Meeting may not withhold such stockholder's shares from the quorum count by declaring such shares absent from the Annual Meeting. Shares voted to abstain or to withhold as to a particular matter, or as to which a nominee (such as a broker holding shares in street name for a beneficial owner) has no voting authority in respect of a particular matter, shall be deemed present for quorum purposes. Such shares, however, will not be deemed to be voting with respect to election of directors and will not count as votes for or against such election. Votes will be tabulated by the Company's transfer agent subject to the supervision of persons designated by the Board of Directors as inspectors.

PROPOSAL 1

ELECTION OF DIRECTORS

The Board of Directors, in accordance with the By-Laws of the Company, as amended (the "By-Laws"), has set the number of members of the Company's Board of Directors at eight. At the Annual Meeting, eight nominees, each of whom currently serves as a member of the Board of Directors of the Company, are to be elected to serve on the Board until the 2003 Annual Meeting of Stockholders and until their respective successors have been duly elected and qualified. Unless a proxy shall specify that it is not to be voted for a nominee, it is intended that the shares represented by each duly executed and returned proxy will be voted in favor of the election as directors of Seymour Holtzman, David A. Levin, Jesse Choper, Alan Cohen, Stephen M. Duff, Jeremiah P. Murphy, Jr., Joseph Pennacchio and George T. Porter, Jr. On June 10, 2002, Stanley I. Berger resigned from the Board of Directors of the Company. The Board does not intend to nominate a replacement for Mr. Berger at this time, although, and, in accordance with the Company's By-Laws, a new director could be named at a later date following the Annual Meeting. Although management expects all nominees to accept nomination and to serve if elected, proxies will be voted for a substitute if a nominee is unable or unwilling to accept nomination or election.

The Board of Directors unanimously recommends that you vote FOR the election of the eight individuals named below as directors of the Company.

Set forth below is certain information regarding the Company's nominees for directors, including information furnished by them as to their principal occupations and business experience for the past five years, certain directorships held by each director, their respective ages as of June 20, 2002 and the year in which each became a director of the Company:

NAME (1)	AGE	POSITION	DIRECTOR SINCE
Seymour Holtzman............	66	Chairman of the Board and Director	2000
David A. Levin..............	51	President, Chief Executive Officer and Director	2000
Jesse Choper................	66	Director (3), (4)	1999
Alan Cohen..................	65	Director	2000
Stephen M. Duff.............	38	Director (2)	2002
Jeremiah P. Murphy, Jr......	50	Director (3), (5)	1999
Joseph Pennacchio...........	55	Director (3), (4), (5)	1999
George T. Porter, Jr........	55	Director	1999

(1) Robert Patron, a director of the Company since October 1999, resigned his position effective March 11, 2002. Stanley I. Berger, a director of the Company since its inception, except for the period between October 8, 1999 and April 11, 2000, resigned his position effective June 10, 2002.

(2) Mr. Duff was appointed a director of the Company on May 14, 2002.

(3) Current member of the Audit Committee.

(4) Current member of the Compensation Committee.

(5) Current member of the Corporate Governance Committee.

Directors and Executive Officers

Seymour Holtzman was appointed a director of the Company on April 7, 2000 and Chairman of the Board on April 11, 2000. On May 25, 2001, the Board of Directors of the Company hired Mr. Holtzman as an executive officer of the Company. Mr. Holtzman is Chairman and Chief Executive Officer of: Jewelcor Management, Inc.; C.D. Peacock, Inc., a prominent Chicago, Illinois retail jewelry establishment; and S.A. Peck & Company, a retail and mail order jewelry company. In addition, Mr. Holtzman served as President and Chief Executive Officer of Jewelcor Incorporated (a formerly New York Stock Exchange listed company) from 1973 to 1988. From 1986 to 1988, Mr. Holtzman was Chairman and Chief Executive Officer of Gruen Marketing Corporation (a formerly American Stock Exchange listed company), which distributed watches nationwide and operated retail factory outlets. Mr. Holtzman is currently on the Board of Directors of Little Switzerland, Inc. and Northeast Pennsylvania Financial Corp., the holding company for First Federal Bank, and also is Chairman of the Board of Directors of musicmaker.com, Inc.

David A. Levin was appointed President and Chief Executive Officer of the Company on April 10, 2000 and a director of the Company on April 11, 2000. From 1999 to 2000, he served as the Executive Vice President of eOutlet.com. Mr. Levin was President of Camp Coleman, a division of The Coleman Company, from 1998 to 1999. Prior to that, Mr. Levin was President of Parade of Shoes, a division of J. Baker, Inc., from 1995 to 1997. In addition, Mr. Levin was President of Prestige Fragrance & Cosmetics, a division of Revlon, Inc., from 1991 to 1995. Mr. Levin has worked in the retail industry for almost 30 years.

Jesse Choper was elected a director of the Company on October 8, 1999. Mr. Choper is the Earl Warren Professor of Public Law at the University of California at Berkeley School of Law, where he has taught since 1965. From 1960 to 1961 Professor Choper was a law clerk for Supreme Court Chief Justice Earl Warren. Mr. Choper is also on the Board of Directors of musicmaker.com, Inc.

Alan Cohen was appointed as a director of the Company on May 2, 2000. Mr. Cohen has been Chairman of Alco Capital Group, which specializes in corporate restructuring, reorganizations, and other turnaround situations, since 1975. Currently he serves as the court appointed trustee of County Seat Stores, Inc., a nation-wide chain of specialty apparel stores. Mr. Cohen is also on the Board of Directors of Ames Department Stores, Inc.

Stephen M. Duff was appointed as a director of the Company on May 14, 2002. Mr. Duff has been a Senior Investment Manager at The Clark Estates, Inc. since 1995. From 1990 to 1995, Mr. Duff was a Vice President and Portfolio Manager at the Portfolio Group, an asset management subsidiary of The Chemical Banking Corporation. Mr. Duff is also on the Board of Directors of Easylink Services Corporation and The Clara Welch Thanksgiving Home, a not-for-profit elderly care facility in Cooperstown, New York.

Jeremiah P. Murphy, Jr. was elected a director of the Company on October 8, 1999. Mr. Murphy has been the President of the Harvard Cooperative Society, a 120-year-old member based retail business, since 1992. From 1987 to 1992, Mr. Murphy was Vice-President/General Manager of Neiman Marcus' largest and most profitable store, North Park in Dallas, Texas.

Joseph Pennacchio was elected a director of the Company on October 8, 1999. Mr. Pennacchio has been Chief Executive Officer of Aurafin LLC, a privately held jewelry manufacturer and wholesaler, since 1997. From May 1994 to May 1996, Mr. Pennacchio was President of Jan Bell Marketing, a $250 million jewelry retailer, which is listed on the American Stock Exchange. Mr. Pennacchio was also President of Jordan Marsh Department Stores from 1992 to 1994.

George T. Porter, Jr. was appointed a director of the Company on October 28, 1999. Mr. Porter was President of Levi's USA for Levi Strauss & Co. from 1994 to 1997. Beginning in 1974, Mr. Porter held various positions at Levi Strauss & Co., including President of Levi's Men's Jeans Division. Mr. Porter was also Corporate Vice President, General Manager, Nike USA from 1997 to 1998.

All directors hold office until the next Annual Meeting of Stockholders and until their respective successors have been duly elected and qualified.

Executive Officers

Dennis R. Hernreich, 45, has been Senior Vice President, Chief Financial Officer and Treasurer since September 5, 2000. Prior to joining the Company, from 1996 through 1999, Mr. Hernreich held the position of Senior Vice President and Chief Financial Officer of Loehmann's Inc., a national retailer of women's apparel. Most recently, from 1999 to August 2000, Mr. Hernreich was Senior Vice President and Chief Financial Officer of Pennsylvania Fashions, Inc., a 275-store retail outlet chain operating under the name Rue 21.

Ronald N. Batts, 52, has been President of the Levi's(R) and Dockers(R) Outlet stores since May 21, 2002 and previously was Senior Vice President of Operations since he joined the Company on October 22, 2001. Mr. Batts previously worked as Senior Vice President of Retail for the Haggar Clothing Company where he established and directed Haggar Direct, Inc., a consumer direct start-up company. Prior to Haggar, Mr. Batts was Chief Operating Officer for Mothercare stores, a 238 store national maternity and childrenswear specialty chain. In addition, he has served as Chief Executive Officer of CSVA, Inc., a venture capital funded retail acquisition company, as President of Eckerd Apparel, a division of Jack Eckerd Corporation, and as President of two divisions of Mercantile Stores.

Executive officers serve at the discretion of the Board of Directors.

Board of Directors and Committee Meetings

The Board of Directors met five times during the Company's fiscal year ended February 2, 2002 ("fiscal 2002"). Messrs. Holtzman, Choper, Levin, Murphy, Pennacchio and Porter each attended at least 75 percent of the meetings of Board. Stanley I. Berger and Robert Patron, both of whom have resigned from the Board, also attended at least 75 percent of the meetings of the Board during the time they served as directors. Due to Mr. Cohen's involvement as an advisor to Casual Male Corp., with which the Company was seeking to pursue an acquisition transaction, Mr. Cohen excused himself from all but one of the Company's Board of Directors meetings held during fiscal 2002. Mr. Duff was appointed a director of the Company subsequent to February 2, 2002.

The Board of Directors has three standing committees: the Audit Committee, the Compensation Committee and the Corporate Governance Committee, which are all made up of independent non-employee directors.

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the quality and integrity of the accounting, auditing and reporting practices of the Company. The committee meets at a minimum quarterly with management and the Company's independent auditors to review matters relating to the Company's financial reporting, the adequacy of internal accounting controls and the scope and results of audit work. The Audit Committee met five times during fiscal 2002. The present members of the committee are Messrs. Choper, Murphy and Pennacchio.

The Compensation Committee meets periodically to review executive and employee compensation and benefits (including stock-based compensation awards under the Company's 1992 Stock Incentive Plan), supervises benefit plans and makes recommendations regarding them to the Board of Directors. The Compensation Committee met once during fiscal 2002. The present members of the committee are Messrs. Pennacchio and Choper.

The Corporate Governance Committee is responsible for performing functions related to governance of the Company, including, but not limited to, planning for the succession and promotion of executive officers of the Company, nominating individuals for election to the Board of Directors and establishing, coordinating and maintaining the Company's corporate compliance programs. The Corporate Governance Committee did not meet during fiscal 2002. The present members of the committee are Messrs. Pennacchio and Murphy.

All members attended at least 75 percent of the meetings of the committees on which they served during fiscal 2002.

The Corporate Governance Committee is responsible for reviewing the nomination of individuals for election to the Board of Directors by stockholders of the Company. Any stockholder wishing to nominate an individual for election to the Board of Directors must send a letter to the Secretary of the Company stating the name and qualifications of the proposed nominee. The letter must be received by the Company within the time limits set by, and must in all

other respects comply with, such Section 4.16 of the Company's By-Laws in order for the proposed nominee to be considered for election to the Board of Directors. Any stockholder who has complied with the timing, informational and other requirements set forth in Section 4.16 and who seeks to make such a nomination, or such stockholder's representative, must be present in person at the Annual Meeting of Stockholders of the Company at which such nominee's election is to be considered.

Audit Committee

On December 14, 1999, the Securities and Exchange Commission (the "Commission") adopted new rules designed to improve disclosure relating to the functioning of audit committees and to enhance the reliability and creditability of financial statements of public companies. In accordance with these rules, the Audit Committee, comprised of Mr. Jesse Choper, Chairman, Mr. Joseph Pennacchio and Mr. Jeremiah P. Murphy, Jr. approved on May 12, 2000 a written charter for the committee. The Company is required to attach a copy of the charter every three years, effective for all proxy statements relating to meetings of stockholders held after December 15, 2000. A copy of the Charter of the Audit Committee was included as Exhibit A to the Proxy Statement for the 2001 Annual Meeting of Stockholders. Information regarding the functions performed by the Audit Committee, its membership, and the number of meetings held during the fiscal year, is set forth in the "Report of the Audit Committee," included in this Proxy Statement.

Compensation Committee Interlocks and Insider Participation

Persons serving on the Compensation Committee had no relationships with the Company in fiscal 2002 other than their relationship to the Company as directors entitled to the receipt of standard compensation as directors and members of certain committees of the Board and their relationship to the Company as beneficial owners of shares of Common Stock and options exercisable for shares of Common Stock. No person serving on the Compensation Committee or on the Board of Directors is an executive officer of another entity for which an executive officer of the Company serves on such entity's board of directors or compensation committee.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's executive officers and directors, and persons who own more than 10% of a registered class of the Company's equity securities (collectively, the "Reporting Persons"), to file reports of ownership and changes in ownership with the Commission. The Reporting Persons are required to furnish the Company with copies of all Section 16(a) reports they file. Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to the Company during fiscal 2002 and Forms 5 and amendments thereto furnished to the Company with respect to fiscal 2002, the Company believes that the current Reporting Persons complied with all applicable Section 16(a) reporting requirements and all required reports were filed in a timely manner.

Executive Compensation

Summary Compensation Table. The following Summary Compensation Table sets forth certain information regarding compensation paid or accrued by the Company with respect to the Chief Executive Officer, the Chief Financial Officer and the President of Levi's(R) and Dockers(R) Outlet stores of the Company as of the end of fiscal 2002 and as of February 3, 2001 ("fiscal 2001"). The table also includes compensation for two former executives of the Company, John J. Schultz, former Interim President and Chief Executive Officer from October 1999 through April 2000, and Dan O. Paulus, former Senior Vice President and General Merchandise Manager, who resigned November 14, 2000 (collectively with Messrs. Levin, Hernreich and Batts, the "Named Executive Officers"), for fiscal 2001 and the fiscal year ended January 29, 2000 ("fiscal 2000").

Summary Compensation Table

Name and Principal Position (at February 2, 2002)	Fiscal Year	Annual Compensation		Long-Term Compensation Awards	All Other Compensation(1)
		Salary	Bonus	Options	
Seymour Holtzman Chairman of the Board (2)	2002	$18,616	-0-	300,000	-0-
David A. Levin President and Chief Executive Officer	2002	$382,374	-0-	125,000	$14,484
	2001	$311,758	-0-	300,000	$449
Dennis R. Hernreich Senior Vice President and Chief Financial Officer and Treasurer (3)	2002	$232,398	$15,000	100,000	$6,829
	2001	$121,610	$6,250	85,000	$85,307
Ronald N. Batts President of the Levi's(R)and Dockers(R) Outlet stores (4)	2002	$86,432	$6,000	50,000	$10,403
John J. Schultz Former Interim President and Chief Executive Officer (5)	2001	$63,179	-0-	60,000	-0-
	2000	$58,000	-0-	30,000	-0-
Dan O. Paulus Former Senior Vice President and General Merchandise Manager (6)	2001	$221,928	-0-	35,000	$5,570
	2000	$233,700	$70,000	-0-	$3,540

(1) The amounts disclosed in this column with respect to fiscal 2002 represent: (i) payments by the Company of insurance premiums for term life insurance for the benefit of the executive officers (Mr. Levin $3,131, Mr. Hernreich $411 and Mr. Batts $124); (ii) matching contributions made by the Company for the benefit of each of the following executive officers to the Company's retirement plan (the "401(k) Plan") established pursuant to Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") (Mr. Levin $4,482 and Mr. Hernreich $469); (iii) car allowances (Mr. Levin $6,872 and Mr. Hernreich $2,771); and (iv) reimbursement for relocation costs (Mr. Hernreich $3,177 and Mr. Batts $10,279).

(2) Mr. Holtzman was hired by the Company as an executive officer and employee of the Company on May 25, 2001. In connection with his hiring and as compensation for his services, the Company granted to Mr. Holtzman an option to purchase up to 300,000 shares of Common Stock. See "Employment Agreements" for more discussion.

(3) Mr. Hernreich's employment agreement entitles him to receive minimum monthly payments in respect of his annual bonus at the rate of $1,250 per month. Any annual bonus that the Compensation Committee determines shall be paid to Mr. Hernreich would be reduced by the total of all such payments made to

the executive. During fiscal 2002 and fiscal 2001, Mr. Hernreich received a total of $15,000 and $6,250, respectively.

(4) Mr. Batts has been President of Levi's(R) and Dockers(R) Outlet stores since May 21, 2002 and was previously Senior Vice President of Operations since October 22, 2001. Mr. Batts' employment agreement entitles him to receive minimum monthly payments in respect of his annual bonus at the rate of $2,000 per month for the initial term of the agreement. Any annual bonus that the Compensation Committee determines shall be paid to Mr. Batts would be reduced by the total of all such payments made to the executive. During fiscal 2002, Mr. Batts received a total of $6,000, which represents payments for the three months from when Mr. Batts started with the Company.

(5) Mr. Schultz acted in the position of interim President and Chief Executive Officer of the Company from October 20, 1999 until April 10, 2000.

(6) Mr. Paulus served as the Company's Senior Vice President and General Merchandise Manager from February 4, 2000 to November 14, 2000.

Option Grants Table. The following Option Grants Table sets forth certain information as of February 2, 2002, regarding stock options granted during fiscal 2002 by the Company to the Named Executive Officers.

Option Grants In Last Fiscal Year

	Individual Grants (1)				Potential Realizable Value of Assumed Annual Rates of Stock Price Appreciation for Option Term (2)	
	Number of Shares of Common Stock Underlying Options Granted	Percent of Total Options Granted to Employees in Fiscal Year	Exercise Price Per Share	Expiration Date	5%	10%
Seymour Holtzman	300,000	33.8%	$3.88	5/25/11	$732,033	$1,855,116
David A. Levin	125,000	14.1%	$3.88	5/25/11	$305,014	$772,965
Dennis R. Hernreich	100,000	11.3%	$3.88	5/25/11	$244,011	$618,372
Ronald N. Batts	50,000	5.6%	$2.75	10/22/11	$86,473	$219,140

(1) These options become exercisable in three equal annual installments on each of the first three anniversaries of the date of grant.

(2) The amounts shown in these columns represent hypothetical gains that could be achieved for the options if exercised at the end of the option term. These gains are based on assumed rates of stock appreciation (based on a market value on the date of the grant) of 5% and 10% compounded annually from the date the options were granted to their expiration date. The gains shown are net of the option exercise price, but do not include deductions for taxes or other expenses associated with the exercise. Actual gains, if any, on stock option exercises will depend on the future performance of the Common Stock and the date on which the options are exercised.

Aggregate Option Exercises and Fiscal Year-End Option Value Table. The following table sets forth information for the Named Executive Officers with respect to the exercise of stock options during fiscal 2002 and the year-end value of unexercised options.

Aggregated Option Exercises in Fiscal 2002 and Fiscal Year-End Option Values

			Number and Value of Securities Underlying Exercisable/ Unexercisable Shares (1)			
			Exercisable		Unexercisable	
Name	Shares Acquired on Exercise (#)	Value Realized ($)	# of Shares	Value	# of shares	Value
Seymour Holtzman	-0-	-0-	15,000	$40,938	315,000	$77,563
David A. Levin	-0-	-0-	100,000	$281,250	325,000	$577,500
Dennis R. Hernreich	-0-	-0-	28,334	$52,293	156,666	$16,582
Ronald N. Batts	-0-	-0-	-0-	-0-	50,000	$62,500

(1) Value amounts are based on the difference between the closing price of the Company's Common Stock on February 1, 2002 ($4.00) and the exercise price.

401(k) Plan

On January 27, 1993, the Board of Directors adopted the 401(k) Plan. All eligible employees of the Company are entitled to participate in such plan. The 401(k) Plan permits each participant to defer up to fifteen percent of such participant's annual salary up to a maximum annual amount ($11,000 in calendar year 2002 and $10,500 in calendar years 2001 and 2000). The Board of Directors of the Company may determine, from fiscal year to fiscal year, whether and to what extent the Company will contribute to the 401(k) Plan by matching contributions made to such plan by eligible employees. During fiscal 2002, the matching contribution by the Company continued to be 50% of contributions by eligible employees up to a maximum of six percent of salary.

Key Man Insurance

In fiscal 2001, the Company obtained a key man life insurance policy in the amount of $2,000,000 on the life of Mr. Levin. In fiscal 2002, the Company obtained a key man life insurance policy in the amount of $2,000,000 on the life of Mr. Hernreich.

Employment Agreements

The Company entered into an employment agreement, effective as of March 31, 2000, with David A. Levin for a two-year term ending April 10, 2002. Mr. Levin's agreement was extended on April 10, 2001 by unanimous consent of the Board of Directors for an additional two-year term to end on April 10, 2004.

As of September 4, 2000, the Company entered into an employment agreement with Dennis R. Hernreich for a one-year term ending September 1, 2001. Mr. Hernreich's agreement was also extended as of April 25, 2001 by unanimous consent of the Board of Directors for an additional one-year term to end on September 4, 2002.

As of October 22, 2001, the Company entered into an employment agreement with Ronald N. Batts for a one-year term ending October 22, 2002.

All three of these employment agreements with Messrs. Levin, Hernreich and Batts (collectively, the "Employment Agreements") automatically renew for successive one-year terms unless either party notifies the other to the contrary at least 90 days, or 60 days in the case of Mr. Batts, prior to expiration of the then current term.

The Employment Agreements require each executive officer to devote substantially all of the executive officer's time and attention to the business of the Company as necessary to fulfill his respective duties. The Employment Agreements originally provided that Messrs. Levin, Hernreich and Batts would be paid base salaries at annual rates of $375,000, $225,000 and $240,000, respectively. The Employment Agreements with Messrs. Hernreich and Batts also contained a guaranteed discretionary prepayment of bonus in the annual amount of $15,000 and $24,000, respectively, which prepayments were eliminated in the case of Mr. Hernreich as of January 31, 2002. The Employment Agreements provide that the annual rate of base salary for the renewal term may be increased by the Compensation Committee of the Board of Directors in its sole discretion. The Employment Agreements also provide for the payment of bonuses in such amounts as may be determined by the Compensation Committee. While Messrs. Levin, Hernreich and Batts are employed by the Company, the Company will provide each executive an automobile allowance in the amount of $600 per month. Each executive is entitled to vacation and to participate in and receive any other benefits customarily provided by the Company to its senior executives (including any bonus, retirement, short and long-term disability insurance, major medical insurance and group life insurance plans in accordance with the terms of such plans), including stock option plans, all as determined from time to time by the Compensation Committee.

The Employment Agreements for Messrs. Hernreich and Batts also provide for reimbursement of expenses associated with their relocation to the Boston area. In accordance with their agreements, Messrs. Hernreich and Batts are entitled to receive a total amount of $85,000 for relocation costs. Mr. Hernreich received $85,000 less applicable taxes in fiscal 2001. In addition, Messrs. Hernreich and Batts are entitled to receive reimbursement for reasonable expenses associated with their temporary living arrangements.

Mr. Levin is entitled to receive an annual bonus of up to 50%, Mr. Hernreich is entitled to receive an annual bonus of up to 45%, and Mr. Batts is entitled to receive an annual bonus of up to 40% of their respective annual base salaries depending on the performance of the Company. The Compensation Committee of the Board of Directors shall determine, in its sole discretion, the amount of bonus to be paid to the executive officers. Mr. Levin is entitled to receive an additional annual bonus of 10% if the Company meets its annual projections for its fiscal budget plan, as approved by the Board of Directors. Any bonus payable to Mr. Batts and, prior to fiscal 2003, Mr. Hernreich, would be first subject to reduction by the amount of the prepaid discretionary bonuses provided for in their Employment Agreements, as discussed above. No bonuses were paid, above the $15,000 paid to Mr. Hernreich and the $6,000 paid to Mr. Batts, in fiscal 2002.

On January 31, 2002, the Compensation Committee approved bonuses for Messrs. Levin and Hernreich for fiscal 2002 in the amount of $70,000 and $45,000, respectively. These bonuses were paid in fiscal 2003; however, the amount then paid to Mr. Hernreich was $30,000, which reflected the $15,000 prepayment paid in fiscal 2002.

As of May 14, 2002, the Company acquired substantially all of the assets and assumed certain operating liabilities of Casual Male Corp. and certain of its subsidiaries ("Casual Male"). In connection with that acquisition, the Compensation Committee approved increases in the base salaries of Messrs. Levin and Hernreich to $500,000 and $325,000, respectively. In addition, in connection with the Company's acquisition of Casual Male, Messrs. Levin and Hernreich each received an additional bonus of $200,000. Mr. Batts' base salary was increased to $275,000 and includes a guaranteed discretionary prepayment of bonus of $25,000. On May 1, 2002, each of Messrs. Levin and Hernreich was granted options to acquire 75,000 shares of Common Stock, subject to completion of the Casual Male acquisition, at an exercise price of $4.58 per share, equal to the closing price of the Common Stock on that date, which options vest ratably over a three year period.

The Employment Agreements provide that in the event the executive officer's employment is terminated by the Company at any time for any reason other than "justifiable cause" (as defined in the Employment Agreements), disability or death, the Company is required to pay executive the lesser of (1) the base salary for the remaining term of the related Employment Agreement or (2) an amount equal to one half of the executive's annual salary. If the remaining term of the related Employment Agreement on the date of termination is more than six months, the executive must make a good faith effort to find new employment and mitigate damages, costs and expenses to the Company. If he is terminated without justifiable cause within one year after a Change of Control of the Company (as defined in the Employment Agreements) has occurred, the executive shall receive a lump sum payment in the amount of (1) the base salary for the remaining term of the related Employment Agreement or (2) an amount equal to the current base salary for one year. The Employment Agreements contain confidentiality provisions pursuant to

which each executive agrees not to disclose confidential information regarding the Company. The Employment Agreements also contain covenants pursuant to which each executive agrees, during the term of his employment and for a one-year period following the termination of his employment, not to have any connection with any business which competes with the business of the Company.

For purposes of the Employment Agreements, a "Change in Control of the Company" shall mean (i) any sale of all or substantially all of the assets of the Company to any person or group of related persons within the meaning of Section 13(d) of the Exchange Act ("Group"), (ii) any acquisition by any person or Group of shares of capital stock of the Company representing more than 50% of the aggregate voting power of the outstanding capital stock of the Company entitled under ordinary circumstances to elect the directors of the Company ("Voting Stock") or (iii) any replacement of a majority of the Board of Directors of the Company over the twelve-month period following the acquisition of shares of the capital stock of the Company representing more than 10% of the Voting Stock by any person or Group which does not currently own more than 10% of such Voting Stock (unless such replacement shall have been approved by the vote of the majority of the directors then in office who either were members of the Board of Directors at the beginning of such twelve-month period or whose elections as directors were previously so approved).

On May 25, 2001, the Board of Directors determined to hire Seymour Holtzman, who had served as the Company's non-employee Chairman of the Board, as an executive officer of the Company. In connection with his hiring, the Board awarded Mr. Holtzman an option to purchase an aggregate of 300,000 shares of the Company's Common Stock at an exercise price of $3.88 per share, equal to the closing price of the Common Stock on that date. The option vests at a rate of 100,000 shares per year over three years and expires ten years from date of grant. The option represents the principal portion of Mr. Holtzman's compensation as an employee of the Company to date. Mr. Holtzman received $18,616 in other compensation as an employee during fiscal 2002, and received $3,000 in directors' fees with respect to service as a non-employee director prior to May 25, 2001. On May 14, 2002, in connection with the Company's acquisition of Casual Male, Mr. Holtzman received a bonus of $200,000. On May 1, 2002, Mr. Holtzman was granted options to acquire 200,000 shares of Common Stock, subject to completion of the Casual Male acquisition, at an exercise price of $4.58 per share, equal to the closing price of the Common Stock on that date. Mr. Holtzman is otherwise subject to an employment agreement on terms substantially similar to those of the Employment Agreements described above.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners

The following table sets forth certain information with respect to persons known to the Company to be the beneficial owners of more than five percent of the issued and outstanding shares of Common Stock as of May 17, 2002. This information has been updated from the information provided in the Company's Annual Report on Form 10-K filed with the Commission on May 1, 2002.

This information includes shares of Common Stock issued in a private placement in connection with financing for the Company's May 2002 acquisition of substantially all of the assets and the assumption of certain operating liabilities of Casual Male (the "Casual Male Acquisition"). The information does not include shares of the Company's Series B Convertible Preferred Stock ("Series B Preferred Stock"), which are non-voting and are currently not convertible into shares of Common Stock, and certain warrants to acquire shares of Common Stock, as to which the issuance of Common Stock upon exercise of such warrants is subject to stockholder approval (the "Conditional Warrants"), all of which were issued in private placements in connection with financing for the Casual Male Acquisition. However, the Series B Preferred Stock will be automatically converted into shares of Common Stock and the Conditional Warrants will become exercisable for shares of Common Stock upon stockholders' approval of the issuance of such Common Stock. See "Proposal 4 - Issuance of Additional Common Stock" for more information.

The Company is informed that, except as indicated, each person has sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by such person, subject to community property laws where applicable.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class (1)
Jewelcor Management, Inc. 100 N. Wilkes Barre Blvd. Wilkes Barre, Pennsylvania 18702	3,212,882 (2)	19.64%
Putnam Investments One Post Office Square Boston, Massachusetts 02109	1,379,300 (3)	8.64%
Franklin Resources, Inc. One Franklin Parkway San Mateo, California 94403	1,030,000 (4)	6.45%
Stanley I. Berger 100 Essex Road Chestnut Hill, Massachusetts 02467	1,019,002 (5)	6.37%

(1) As of May 17, 2002, 15,961,343 shares of Common Stock were issued and outstanding.

(2) The Company has received Amendment No. 41 to Schedule 13D dated May 24, 2002, stating that Jewelcor Management, Inc. ("JMI") was the beneficial owner of the number of shares of Common Stock set forth opposite its name in the table. Includes options to acquire 400,000 shares of Common Stock. Excludes 137,765 shares, including options to acquire 125,000 shares, owned individually by Seymour Holtzman and 30,000 shares owned by Mr. Holtzman's grandchildren. Includes 60,659 shares of Common Stock issued to JMI pursuant to a consulting agreement with the Company, which agreement was extended effective April 29, 2002. Excludes an aggregate of 549,559 shares of Common Stock subject to Conditional Warrants issued to JMI which will become exercisable upon stockholder approval thereof pursuant to Proposal 4, but which are not currently exercisable.

(3) The Company understands that Putnam Investments was the beneficial owner of the number of shares of Common Stock set forth opposite its name in the table. These shares were acquired in a private placement in connection with financing for the Company's acquisition of Casual Male.

(4) The Company has received a Schedule 13G dated February 14, 2002, stating that Franklin Resources, Inc. was the beneficial owner of the number of shares of Common Stock set forth opposite its name in the table.

(5) Includes options to acquire 30,000 shares of Common Stock exercisable within 60 days. Also includes options to acquire an additional 15,000 shares of Common Stock which became exercisable upon Mr. Berger's resignation from the Board of Directors on June 10, 2002.

Security Ownership of Management

The following table sets forth certain information as of May 17, 2002, with respect to the directors of the Company, the Named Executive Officers and the directors and the Named Executive Officers of the Company as a group. This information has been updated from the information provided in the Company's Annual Report on Form 10-K filed with the Commission on May 1, 2002. The information does not include shares of the Series B Preferred Stock or the Conditional Warrants. The Series B Preferred Stock will be automatically converted into shares of Common Stock and the Conditional Warrants will become exercisable for shares of Common Stock only if the stockholders approve the issuance of such Common Stock. See "Proposal 4 - Issuance of Additional Common Stock" for more information. Except as indicated, each person has sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by such person, subject to community property laws where applicable.

Name and Title	Number of Shares Beneficially Owned		Percent of Class (1)
Seymour Holtzman Chairman of the Board and Director	3,380,647	(2)	20.51%
David A. Levin Chief Executive Officer, President and Director	457,167	(3)	2.82%
Dennis R. Hernreich Chief Financial Officer, Senior Vice President and Treasurer	84,268	(4)	*
Ronald N. Batts President of Levi's(R)and Dockers(R)Outlet stores	--		*
Stanley I. Berger, Director	1,019,002	(5)	6.37%
Jesse Choper, Director	73,016	(6)	*
Alan Cohen, Director	47,545	(6)	*
Stephen M. Duff, Director	5,000	(7)	*
Jeremiah P. Murphy, Jr., Director	69,326	(8)	*
Joseph Pennacchio, Director	66,212	(9)	*
George T. Porter, Jr., Director	87,906	(10)	*
Directors and Named Executive Officers as a group (11 persons)(12)	5,290,089	(2),(11)	31.18%

* Less than 1%

(1) Beneficial ownership is determined in accordance with the rules of the Commission and generally includes voting or investment power with respect to securities. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of Common Stock subject to options held by that person that are currently exercisable, or that become exercisable within 60 days, are deemed outstanding. Such shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of

any other person. Percentage ownership is based on 15,961,343 shares of Common Stock outstanding as of May 17, 2002, plus securities deemed to be outstanding with respect to individual stockholders pursuant to Rule 13d-3(d)(1) under the Exchange Act.

(2) Mr. Holtzman may be deemed to have shared voting and investment power over 3,380,647 shares of Common Stock, which includes 3,212,882 shares (including options to acquire 400,000 shares) beneficially owned by JMI, of which Mr. Holtzman is the Chairman, President and Chief Executive Officer and indirectly, with his wife, the primary shareholder; 137,765 shares owned individually, which includes 125,000 shares subject to stock options exercisable within 60 days; and 30,000 shares owned by Mr. Holtzman's grandchildren as to which he disclaims beneficial ownership. Includes 60,659 shares of Common Stock issued to JMI pursuant to a consulting agreement with the Company, which agreement was extended effective April 29, 2002. Excludes an aggregate of 549,559 shares of Common Stock subject to Conditional Warrants issued to JMI which will become exercisable upon stockholder approval thereof pursuant to Proposal 4, but which are not currently exercisable.

(3) Includes 241,667 shares subject to stock options exercisable within 60 days. Excludes 405 shares of Series B Preferred Stock, which will be automatically converted into 40,500 shares of Common Stock upon stockholder approval thereof pursuant to Proposal 4, but which are not currently convertible.

(4) Includes 61,668 shares subject to stock options exercisable within 60 days. Excludes 250 shares of Series B Preferred Stock, which will be automatically converted into 25,000 shares of Common Stock upon stockholder approval thereof pursuant to Proposal 4, but which are not currently convertible.

(5) Includes 30,000 shares subject to stock options exercisable within 60 days. Also includes options to acquire an additional 15,000 shares of Common Stock which became exercisable upon Mr. Berger's resignation from the Board of Directors on June 10, 2002.

(6) Includes 30,000 shares subject to stock options exercisable within 60 days.

(7) Includes 5,000 shares subject to stock options exercisable within 60 days.

(8) Includes 30,000 shares subject to stock options exercisable within 60 days. Excludes 250 shares of Series B Preferred Stock, which will be automatically converted into 25,000 shares of Common Stock upon stockholder approval thereof pursuant to Proposal 4, but which are currently not currently convertible.

(9) Includes 30,000 shares subject to stock options exercisable within 60 days. Excludes 500 shares of Series B Preferred Stock, which will be automatically converted into 50,000 shares of Common Stock upon stockholder approval thereof pursuant to Proposal 4, but which are not currently convertible.

(10) Includes 60,000 shares subject to stock options exercisable within 60 days. Excludes 250 shares of Series B Preferred Stock, which will be automatically converted into 25,000 shares of Common Stock upon stockholder approval thereof pursuant to Proposal 4, but which are not currently convertible.

(11) Includes 1,058,335 shares subject to stock options exercisable within 60 days. Excludes 1,655 shares of Series B Preferred Stock, which will be automatically converted into 165,500 shares of Common Stock upon stockholder approval thereof pursuant to Proposal 4, but which are currently not convertible.

(12) Excludes 560,790 shares owned by Robert Patron, who ceased to be a director of the Company during March 2002.

Director Compensation

During fiscal 2002, non-employee directors of the Company were paid $3,000 plus expenses for each meeting of the Board of Directors in which they participated. During fiscal 2002, non-employee directors of the Company were paid, in addition to reimbursement of expenses, for meetings of committees of the Board in which they participated as follows: $3,000 for each Compensation Committee meeting; $1,500 for each Audit Committee meeting; and $1,500 for each Corporate Governance Committee meeting. Directors receive $500 for telephonic meetings of the Board of Directors and telephonic committee meetings. During fiscal 2002, non-employee directors of the Company were also eligible to participate in the Company's 1992 Stock Incentive Plan, as amended (the "1992 Stock Incentive Plan"). Prior to January 20, 2000, under the provisions of the 1992 Stock Incentive Plan, each non-employee director of the Company who was elected by the stockholders to the Board would automatically be granted, upon such election, a stock option to purchase 10,000 shares of Common Stock at the fair market value of Common Stock on the date of grant. Each non-employee director of the Company who was re-elected by the stockholders to the Board would be granted, upon such re-election, a stock option to purchase 3,000 shares of Common Stock at the then fair market value of Common Stock. On January 20, 2000, the Board of Directors amended the plan to provide for the grant to each non-employee director of the Company a stock option to purchase 15,000 shares of Common Stock upon such director's election and a stock option to purchase 15,000 shares of Common Stock upon such director's re-election. On June 26, 2001, the plan was further amended by the Board of Directors to provide that each of such stock options would become exercisable in three equal annual installments commencing with the date of grant. All options are granted with a term of ten years.

The 1992 Stock Incentive Plan also provides that non-employee directors of the Company may elect to receive all or a portion of their directors' fees, on a current or deferred basis, in shares of Common Stock that are free of any restrictions under the 1992 Stock Incentive Plan by entering into an irrevocable agreement with the Company in advance of the beginning of a calendar year. During fiscal 2002, all non-employee directors elected to receive their directors' fee in Common Stock.

COMPENSATION COMMITTEE REPORT

Decisions concerning the compensation of the Company's executive officers generally are made by the two-member Compensation Committee of the Board of Directors. Each member of the Compensation Committee is a non-employee director of the Company. This Compensation Committee Report summarizes the Company's executive officer compensation practices and policies for fiscal year 2002. The Compensation Committee consists of two members, Joseph Pennacchio and Jesse Choper.

Compensation Policies

The Company's compensation policies are designed to link executive officer compensation to the annual and long-term performance of the Company and to provide industry-competitive compensation for such officers. The Company's executive officer compensation consists of two key components: (1) an annual component, consisting of annual base salary and annual incentive bonus, if any, and (2) a long-term component consisting of the grant of stock options.

The policies with respect to each of these elements, as well as the bases for determining the compensation of the Company's executives, are described below.

(1) Annual Component: Base Salary and Annual Incentive Bonus

The Compensation Committee reviews all base salaries for executive officers and establishes them by reviewing the performance of each executive officer, evaluating the responsibilities of each executive officer's position and comparing the executive officers' salaries with salaries of executive officers of other companies in the specialty retail apparel industry (the "Industry"). The Compensation Committee defines the Industry as public companies in the specialty retail apparel business with similar sales and market capitalization. Annual base salary adjustments are influenced by the Company's performance in the previous fiscal year and the individual's contribution to that performance, the individual's performance, promotions of the individual that may have occurred during the fiscal year, and any increases in the individual's level of responsibility (which is measured by various factors including, but not limited to, the number of departments and employees for which the executive officer is responsible). Under the Company's employment agreements with Messrs. Levin, Hernreich and Batts, compensation for such executive officers had a base salary element and annual cost of living increases for fiscal 2002. As discussed previously, on May 14, 2002, the Compensation Committee increased the base salaries of Messrs. Levin, Hernreich and Batts.

(2) Long-Term Component: Stock Options

To align executive officers' interests more closely with the interests of the stockholders of the Company, the Company's long-term compensation program emphasizes the grant of stock options exercisable for shares of Common Stock. The amount of such awards is determined one or more times in each fiscal year by the Compensation Committee. Stock options normally are granted to executive officers in amounts based largely upon the size of stock-based awards of other companies in the Industry for comparable positions as well as the availability of shares of Common Stock under the 1992 Stock Incentive Plan. The Compensation Committee may take into account other factors in determining the size of stock option grants, including, but not limited to, the need to attract and retain individuals the Compensation Committee perceives to be valuable to the Company.

In addition to the foregoing, executive officers receive benefits under certain group health, long-term disability and life insurance plans, which are generally available to the Company's eligible employees. After one year of service with the Company, the executive officers are eligible to participate in the 401(k) Plan. Benefits under these plans are not tied to corporate performance.

The Commission requires that this Compensation Committee Report comment upon the Compensation Committee's policy with respect to Section 162(m) of the Internal Revenue Code, which limits the Company's tax deduction with regard to compensation in excess of $1 million paid to the chief executive officer and the four most highly compensated executive officers (other than the chief executive officer) at the end of any fiscal year unless the compensation qualifies as "performance-based compensation." The Compensation Committee's policy with respect

to Section 162(m) is to make every reasonable effort to cause compensation to be deductible by the Company while simultaneously providing executive officers of the Company with appropriate rewards for their performance.

THE COMPENSATION COMMITTEE
Joseph Pennacchio
Jesse Choper

PROPOSAL 2

AMENDMENT TO THE COMPANY'S CERTIFICATE OF INCORPORATION TO CHANGE THE NAME OF THE COMPANY TO "CASUAL MALE RETAIL GROUP, INC."

The Company's Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), currently provides that the Company's name is "Designs, Inc." The Company's business has recently undergone a significant expansion and transformation through its recent acquisition of substantially all of the assets of Casual Male in the Casual Male Acquisition. In an effort to more clearly identify the Company going forward, the Company's Board of Directors is recommending to its stockholders that the Company change its name to "Casual Male Retail Group, Inc."

As of May 14, 2002, pursuant to an Asset Purchase Agreement entered into as of May 2, 2002, by and among the Company and Casual Male, the Company completed the acquisition of substantially all of the assets of Casual Male for a purchase price of approximately $170 million, plus the assumption of certain operating liabilities. The Company was selected as the highest and best bidder for the Casual Male assets at a bankruptcy court ordered auction commencing on May 1, 2002 and concluding on May 2, 2002 and the acquisition of Casual Male by the Company was approved by the court on May 7, 2002.

Casual Male is a leading independent specialty retailer of fashion, casual and dress apparel for big and tall men, with annual sales that exceed $350 million. Casual Male sells its branded merchandise through various channels of distribution including full price and outlet retail stores, direct mail and the internet. Casual Male had been operating under the protection of the U.S. Bankruptcy Court since May 2001.

In view of the significance of the Casual Male Acquisition to the growth and future identity of the Company, the Board of Directors is recommending to its stockholders that the Certificate of Incorporation be amended to change the Company's name to "Casual Male Retail Group, Inc." The Company believes that Casual Male will be a significant future contributor to the Company's overall business and that it will be important to align the customer and investor identification of the Company with the Casual Male store concept.

If stockholder approval is obtained for the change of the Company's name, then the Company intends to change the symbol (currently "DESI") under which the Common Stock trades on the Nasdaq National Market.

If stockholder approval is obtained for the change of the Company's name and for "Proposal 5--Reincorporation of the Company to Change the Company's State of Incorporation from Delaware to Nevada" and the Company proceeds with the reincorporation, then the Company intends to effect the name change in connection with the Company's reincorporation.

The Board of Directors unanimously recommends that you vote FOR the amendment to the Company's Certificate of Incorporation to change the name of the Company to "Casual Male Retail Group, Inc."

PROPOSAL 3

AMENDMENT TO THE COMPANY'S CERTIFICATE OF INCORPORATION TO INCREASE THE AUTHORIZED NUMBER OF SHARES OF COMMON STOCK

The Company's Board of Directors has unanimously approved an amendment to the Certificate of Incorporation which would increase the total authorized number of shares of Common Stock from 50,000,000 shares to 75,000,000 shares, thereby increasing the total authorized capital stock of the Company from 51,000,000 shares to 76,000,000 shares.

The amendment to the Certificate of Incorporation will increase the authorized Common Stock by amending and restating the first sentence of Article FOURTH of the Certificate of Incorporation so that, as amended and restated, it will read as follows:

> "The total number of shares of capital stock which the Corporation shall have the authority to issue shall be 75,000,000 shares of Common Stock having a par value of $.01 per share, amounting to an aggregate par value of $750,000, and 1,000,000 shares of Preferred Stock having a par value of $.01 per share, amounting to an aggregate par value of $10,000."

As of June 20, 2002, the authorized capital stock of the Company consisted of (a) 50,000,000 shares of Common Stock and (b) 1,000,000 shares of preferred stock of the Company, of which 300,000 were previously designated as Series A Junior Participating Cumulative Preferred Stock ("Series A Preferred Stock") and 200,000 were previously designated as Series B Preferred Stock. As of June 20, 2002:

- 15,999,010 shares of Common Stock were issued and outstanding,
- no shares of Series A Preferred Stock were issued and outstanding,
- 180,162 shares of Series B Preferred Stock were issued and outstanding, which shares will be converted into an aggregate of 18,016,200 shares of Common Stock only if stockholder approval of the Proposed Issuance (as defined in Proposal 4 below) pursuant to "Proposal 4 - Issuance of Additional Common Stock" below is obtained,
- 3,039,769 shares of Common Stock and no shares of preferred stock of the Company were held in the treasury of the Company,
- 1,556,086 shares of Common Stock were reserved for issuance upon exercise of issued and outstanding options and 2,276,017 shares were reserved for future issuance of options under the Company's 1992 Stock Incentive Plan,
- 1,140,000 shares of Common Stock were reserved for future issuance upon exercise of other outstanding options, and
- 2,603,971 shares of Common Stock were reserved for future issuance upon exercise of the Conditional Warrants, which warrants will become exercisable only upon stockholder approval thereof pursuant to Proposal 4, and 787,500 shares of Common Stock were reserved for future issuance upon exercise of the Non-conditional Warrants (as defined in Proposal 4 below).

Therefore, as of June 20, 2002, an aggregate of 45,418,553 shares of Common Stock, out of 50,000,000 shares authorized, were issued or reserved for future issuance.

The increase in the authorized shares of Common Stock is intended to provide the Company's Board of Directors with authority, without further action of the stockholders, to issue the additional shares of Common Stock from time to time as the Board deems necessary. The Board of Directors believes it is desirable to have the ability to issue such additional shares of Common Stock from time to time to provide flexibility in addressing the financing needs

of the Company and for general corporate purposes. Potential uses of the additional authorized shares include equity financings, stock dividends or distributions, acquisitions of businesses, and issuance of Common Stock upon the exercise of warrants, options and other convertible securities of the Company. The Company does not have any current plans or proposals to issue any portion of the additional shares of Common Stock, other than potential issuances of Common Stock in connection with the conversion of the Series B Preferred Stock or the exercise of the Conditional Warrants and the Non-conditional Warrants issued in recent private placements.

The increase in the authorized number of shares of Common Stock could have certain beneficial effects on the Company's principal stockholders depending upon the exact nature and circumstances of any actual issuances of authorized but unissued shares. The increase could deter takeovers, in that additional shares could be issued (within the limits imposed by applicable law) in one or more transactions that could make a change in control or takeover of the Company more difficult. For example, additional shares could be issued by the Company so as to dilute the stock ownership or voting rights of persons seeking to obtain control of the Company. Similarly, the issuance of additional shares to certain persons allied with the Company's management could have the effect of making it more difficult to remove the Company's current management by diluting the stock ownership or voting rights of persons seeking to cause such removal.

If stockholder approval is obtained for the increase of the authorized number of shares of Common Stock and for "Proposal 5--Reincorporation of the Company to Change the Company's State of Incorporation from Delaware to Nevada" and the Company proceeds with the reincorporation, then the Company intends to increase the authorized number of shares of Designs - Nevada Common Stock (as defined in Proposal 5 below) in connection with the reincorporation to reflect the increase of the authorized number of shares of Common Stock.

The Board of Directors unanimously recommends that you vote FOR the amendment to the Company's Certificate of Incorporation to increase the authorized number of shares of Common Stock.

PROPOSAL 4

ISSUANCE OF ADDITIONAL COMMON STOCK

The Company's Board of Directors has unanimously approved the issuance by the Company of up to 20,620,171 shares of Common Stock, subject to adjustment pursuant to anti-dilution provisions, upon the conversion of the Series B Preferred Stock and the exercise of the Conditional Warrants. We refer to this as the "Proposed Issuance".

The Series B Preferred Stock and the Conditional Warrants were issued in private placement transactions in connection with financing for the Casual Male Acquisition. During the same period, the Company issued shares of Common Stock and certain warrants as to which the issuance of Common Stock upon exercise of such warrants is not subject to stockholder approval (the "Non-conditional Warrants").

Stockholder approval of the Proposed Issuance is not required either under governing Delaware law or under the Certificate of Incorporation or By-Laws of the Company. The Company is seeking stockholder approval pursuant to agreements with the holders of the Series B Preferred Stock and the Conditional Warrants and to take account of certain rules of the Nasdaq Stock Market. Pursuant to these rules, an issuer whose securities are listed on Nasdaq may be required to obtain the approval of a majority of stockholders voting on the proposal in person or by proxy if the issuer intends to issue an aggregate number of shares which exceeds 20% of the common stock outstanding prior to such issuance, subject to certain exceptions. The number of shares of Common Stock and the number of shares of Common Stock underlying the Non-conditional Warrants issued in connection with financing for the Casual Male Acquisition did not exceed 20% of the Common Stock outstanding as of the date such securities were issued. If the Proposed Issuance is approved, however, then the aggregate issuance of Common Stock and warrants to purchase Common Stock from May 1, 2002 to the time of the Proposed Issuance will exceed 20% of the Common Stock outstanding prior to May 1, 2002. Therefore, the Board of Directors determined to seek stockholder approval of the Proposed Issuance.

In connection with the private placements, the Company agreed with the holders of Series B Preferred Stock to file a Registration Statement with the Commission with respect to the shares of Common Stock that would be issued upon conversion, after stockholder approval is obtained for the Proposed Issuance and also agreed, if the Proposed Issuance is approved, to register the shares of Common Stock subject to issuance upon exercise of the Conditional Warrants and the Non-conditional Warrants upon irrevocable notice of exercise by the holders. If the Proposed Issuance is approved, then up to 20,620,171 additional shares of Common Stock (subject to anti-dilution adjustment) will be registered or subject to registration.

If stockholder approval for the Proposed Issuance is not received, then the Series B Preferred Stock will remain outstanding. The terms of the Series B Preferred Stock obligate the Company to pay to holders of the Series B Preferred Stock cumulative dividends at a rate of 15% per annum, which rate will increase to 20% per annum if the Company fails to obtain stockholder approval of the issuance of the required number of shares of Common Stock within 150 days from the date of issuance of the Series B Preferred Stock. For the complete terms of the Series B Preferred Stock, please see the Certificate of Designation for the Series B Preferred Stock attached as an exhibit to the Current Report on Form 8-K filed by the Company on May 23, 2002, which is incorporated herein by reference.

Upon obtaining stockholder approval of the Proposed Issuance, each of the 180,162 shares of Series B Preferred Stock will be automatically converted into 100 shares of Common Stock, subject to adjustment in accordance with the terms of the Certificate of Designation, and the Conditional Warrants will become exercisable for a total of 2,603,971 shares of Common Stock, subject to adjustment pursuant to anti-dilution provisions.

The terms of the Conditional Warrants do not specify the consequences if the Proposed Issuance is not approved. Although the Board of Directors does not intend to proceed with the Proposed Issuance if stockholder approval is not obtained, there is no assurance that the holders of the Conditional Warrants might not attempt to effect exercisability of the Conditional Warrants or obtain an equivalent economic benefit through other means.

Although the Company is not a party to any such arrangements, the Company understands that ten holders of approximately 7,330,280 shares of Common Stock agreed with the purchasers of the Series B Preferred Stock, at the time of their investment, to vote in favor of the Proposed Issuance.

If a majority of stockholders present in person or by proxy at the Annual Meeting vote in favor of the Proposed Issuance, then an aggregate of 20,620,171 shares of Common Stock, subject to adjustment pursuant to anti-dilution provisions, could be issued upon conversion of the Series B Preferred Stock and upon exercise of all of the Conditional Warrants.

The Board of Directors unanimously recommends that you vote FOR the issuance of Common Stock upon conversion of the Series B Preferred Stock and exercise of the Conditional Warrants.

PROPOSAL 5

REINCORPORATION OF THE COMPANY TO CHANGE THE COMPANY'S STATE OF INCORPORATION FROM DELAWARE TO NEVADA

The Company's Board of Directors has unanimously approved a proposal (the "Reincorporation Proposal") to change the Company's state of incorporation from Delaware to Nevada, by means of a merger (the "Merger") of the Company with and into Designs, Inc., a wholly owned subsidiary of the Company to be formed in Nevada ("Designs - Nevada"), which will be the surviving corporation in the Merger.

The following discussion summarizes certain aspects of the Reincorporation Proposal, including certain material differences between Delaware corporate law and Nevada corporate law. This summary is not intended to be a complete description of the Reincorporation Proposal or the differences between stockholders' rights under Delaware corporate law and Nevada corporate law, and is qualified in its entirety by reference to the following documents:

- Form of Agreement and Plan of Merger between the Company and Designs - Nevada (the "Merger Agreement") attached hereto as Exhibit A;

- Form of Articles of Incorporation of Designs - Nevada (the "New Charter") attached hereto as Exhibit B; and

- Form of By-laws of Designs - Nevada (the "New By-laws") attached hereto as Exhibit C.

Approval of the Reincorporation Proposal requires the affirmative vote of a majority of the issued and outstanding shares of Common Stock entitled to vote thereon. The approval of the Reincorporation Proposal by the Company's stockholders will constitute an adoption of the Merger Agreement, the New Charter and the New By-laws and will affect certain rights of the stockholders.

Stockholders are urged to read carefully this Proxy Statement and the exhibits attached hereto in their entirety before voting on the Reincorporation Proposal.

Principal Reasons for the Reincorporation

The Board of Directors of the Company believes that the best interests of the Company and its stockholders will be served by changing the Company's state of incorporation from Delaware to Nevada. The principal reason for the reincorporation is that the franchise tax and related fees that the Company pays as a Delaware corporation are significantly higher than the comparable fees for a Nevada corporation.

Principal Features of the Reincorporation Proposal

At the Effective Date of the Merger (as defined in the Merger Agreement), the separate existence of the Company will cease and Designs - Nevada, as the surviving corporation, will succeed to all business, properties, assets and liabilities of the Company. Upon the Effective Date of the Merger, (i) each outstanding share of Common Stock of the Company immediately prior to the Effective Date will be converted into one (1) share of common stock, par value $0.01 per share, of Designs - Nevada (the "Designs - Nevada Common Stock"); and (ii) each outstanding option, warrant or other security convertible into or exercisable for shares of the Company's Common Stock will be automatically assumed by Designs - Nevada and will be converted into the right to acquire an equal number of shares of Designs - Nevada Common Stock, under the same terms and conditions as the original options, warrants and convertible securities of the Company. If stockholder approval is obtained for "Proposal 4--Issuance of Additional Common Stock," then no shares of Series B Preferred Stock of the Company will remain outstanding on the Effective Date of the Merger. No shares of Series A Preferred Stock of the Company are outstanding.

No action need be taken by the Company's stockholders to exchange their stock certificates as a result of the Merger. Certificates for shares of the Company's Common Stock will automatically represent an equal number of shares of Designs - Nevada Common Stock.

Approval of the Reincorporation Proposal will effect a change in the legal domicile of the Company and certain other changes of a legal nature, as described in this Proxy Statement. Reincorporation of the Company will not, in and of itself, result in any change in the business, management, location of the principal executive offices, assets, liabilities or stockholders' equity of the Company. Reincorporation of the Company will not change the state of incorporation of any subsidiary of the Company. The number of directors comprising the Board of Directors of Designs - Nevada will be eight initially, each of whom is currently a director of the Company, and each of the executive officers of the Company will serve as executive officers of Designs - Nevada.

Upon approval of the Reincorporation Proposal by the Company's stockholders, the proposed reincorporation will be consummated at such time as the Boards of Directors of the Company and Designs - Nevada determine is advisable. The Merger Agreement provides, however, that the Merger may be deferred or abandoned by the Board of Directors of the Company prior to the Effective Date, either before or after stockholder approval. The Board of Directors of the Company anticipates that it may determine to defer or abandon the reincorporation in the event that any third-party consent therefor deemed material by the Board of Directors shall not have been obtained. After approval by the stockholders of the Company of the Merger Agreement, no amendment shall be made which (a) alters or changes the amount or kind of shares of Designs - Nevada to be received on conversion of shares of the Company as provided, (b) alters or changes any term of the Articles of Incorporation of Designs - Nevada to be effected by the Merger, or (c) alters or changes any of the terms and conditions of the Merger Agreement if such alteration or change would adversely affect the rights of stockholders of the Company, without the further approval of such stockholders.

The Common Stock is currently listed on the Nasdaq National Market, and following consummation of the Merger, the Company intends to have shares of Designs - Nevada Common Stock continue to trade on the Nasdaq National Market without interruption.

If stockholder approval is obtained for "Proposal 2--Amendment to the Company's Certificate of Incorporation to Change the Name of the Company to "Casual Male Retail Group, Inc."," and for the Reincorporation Proposal, then the Company intends to effect the name change in connection with the reincorporation and to change the symbol under which the Designs - Nevada Common Stock trades on the Nasdaq National Market to a symbol reflecting the Company's new name. Otherwise, the Designs - Nevada Common Stock will continue to trade under the same ticker symbol "DESI".

If stockholder approval is obtained for "Proposal 3--Amendment to the Company's Certificate of Incorporation to Increase the Authorized Number of Shares of Common Stock," and for the Reincorporation Proposal, then the Company intends to increase the authorized number of shares of Designs - Nevada Common Stock in connection with the reincorporation to reflect the increase of the authorized number of shares of Common Stock of the Company.

Rights of Stockholders to Dissent

Since the Reincorporation Proposal will be conducted through a merger of the Company into its wholly owned subsidiary, Designs - Nevada, the Company's stockholders will not have a right to dissent from the reincorporation and seek to receive the fair market value of their shares in cash under the Delaware General Corporation Law.

Comparison of Stockholders' Rights

Although the corporate statutes of Nevada and Delaware are substantially similar, certain differences exist. This summary is not intended to be complete, and stockholders should refer to the Delaware General Corporation Law (the "Delaware Law") and the Nevada Revised Statutes, as amended (the "Nevada Law"), to understand how these laws will apply to the Company and Designs - Nevada.

Classified Board of Directors

The Delaware Law permits any Delaware corporation to classify its board of directors into as many as three classes with staggered terms of office. After initial implementation of a classified board, one class will be elected at each annual meeting of the stockholders to serve for a term of three years or until their successors are elected to take office. The Nevada Law also permits corporations to classify boards of directors provided that at least one-fourth of the total number of directors is elected annually. Since neither the Company nor Designs - Nevada has a classified board, there will be no difference in stockholders' rights with respect to this issue.

Cumulative Voting

Cumulative voting for directors entitles stockholders to cast a number of votes that is equal to the number of voting shares held multiplied by the number of directors to be elected. Stockholders may cast all such votes either for one nominee or distribute such votes among up to as many candidates as there are positions to be filled. Cumulative voting may enable a minority stockholder or group of stockholders to elect at least one representative to the board of directors where such stockholders would not otherwise be able to elect any directors. The Nevada Law permits cumulative voting in the election of directors as long as certain procedures are followed. A Delaware corporation may provide for cumulative voting in the corporation's certificate of incorporation. Since neither the Company nor Designs - Nevada utilizes cumulative voting, there will be no significant difference in stockholders' rights with respect to this issue.

Vacancies on the Board of Directors

Under the Delaware Law, vacancies on the board of directors will be filled by the affirmative vote of a majority of the remaining directors then in office, even if less than a quorum unless otherwise provided in the certificate of incorporation or by-laws. Any director so appointed will hold office for the remainder of the full term of the class of directors in which the vacancy occurred. Similarly, the Nevada Law provides that vacancies may be filled by a majority of the remaining directors, though less than a quorum, unless the articles of incorporation provide otherwise. The By-Laws of the Company and Designs - Nevada address the issue of director vacancies in the same manner. Therefore, the change from Delaware law to Nevada law will not alter stockholders' rights with respect to filling vacancies.

Removal of Directors

Under both the Delaware Law and the Nevada Law, any director or the entire board of directors may be removed, with or without cause, upon the vote of the shares entitled to vote in the election of directors. Under the Delaware Law, a majority vote is required to remove a director. Under the Nevada Law, a director may be removed only by the vote of stockholders casting not less than two-thirds of the outstanding voting rights.

Indemnification of Officers and Directors and Advancement of Expenses

The Delaware Law and the Nevada Law have substantially identical provisions regarding indemnification by a corporation of its officers, directors, employees and agents, except that the Nevada Law provides broader indemnification in connection with stockholder derivative lawsuits. The Delaware Law and the Nevada Law differ in their provisions for advancement of expenses incurred by an officer or director in defending a civil or criminal action, suit or proceeding. The Delaware Law provides that expenses incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by the corporation. Thus, a Delaware corporation has the discretion to decide whether or not to advance expenses. Under the Nevada Law, the articles of incorporation, by-laws or an agreement made by the corporation may provide that the corporation must pay advancements of expenses in advance of the final disposition of the action, suit or proceedings upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by the corporation. Thus, a corporation may have no discretion to decide whether or not to advance expenses. There will be no difference in

stockholders' rights with respect to this issue because the New By-laws and the Company's By-Laws each provides for advancement of expenses.

Limitation on Personal Liability of Directors

A Delaware corporation is permitted to adopt provisions in its certificate of incorporation limiting or eliminating the liability of a director to a company and its stockholders for monetary damages for breach of fiduciary duty as a director, unless that liability arises from breach of the duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, unlawful payment of dividends or unlawful stock purchase or redemption, or transactions from which the director derives improper personal benefit. The Company's Certificate of Incorporation contains a provision limiting, to the extent permitted by the Delaware Law, the liability of directors to the Company for breach of fiduciary duty.

The Nevada Law provides that, with certain statutory exceptions, a director or officer is not individually liable to the corporation or its stockholders for any damages as a result of any act or omission in his capacity as a director or officer unless it is proven that his act of omission constituted a breach of his fiduciary duties as a director or officer and his breach involved intentional misconduct, fraud or a knowing violation of the law. This provision is broader than the analogous provision in the Delaware Law, in that it is mandatory rather than optional, covers officers as well as directors, and, unlike the Delaware Law, does not exclude from the limitation of liability any act or omission constituting breach of that director or officer's duty of loyalty. The New Charter states that personal liability of the directors of Designs - Nevada is eliminated to the fullest extent permitted or required under the Nevada Law; officers are not included, but they are covered by the Nevada Law mandatory limitation of liability.

Dividends

The Delaware Law is more restrictive than the Nevada Law with respect to when dividends may be paid. Under the Delaware Law, subject to any restrictions provided in the certificate of incorporation, a corporation may declare dividends out of surplus, or if no surplus exists, out of net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year (provided that the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets).

The Nevada Law provides that except as otherwise provided in its articles of incorporation, no distribution (including dividends on, or redemption or repurchases of, shares of capital stock) may be made if, after giving effect to such distribution, the corporation would not be able to pay its debts as they become due in the usual course of business, or the corporation's total assets would be less than the sum of its total liabilities plus the amount that would be needed at the time of a liquidation to satisfy the preferential rights of preferred stockholders.

Restrictions on Business Combinations

Both the Delaware Law and the Nevada Law contain provisions restricting the ability of a corporation to engage in business combinations with an interested stockholder. Under the Delaware Law, a corporation is not permitted to engage in a business combination with any interested stockholder for a three-year period following the date such stockholder became an interested stockholder, unless (i) the transaction resulting in a person becoming an interested stockholder, or the business combination, is approved by the board of directors of the corporation before the person becomes an interested stockholder; (ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the outstanding voting stock of the corporation outstanding at the time the transaction commenced (excluding shares owned by persons who are both officers and directors of the corporation, and shares held by certain employee stock ownership plans); or (iii) at or after the date the person becomes an interested stockholder, the business combination is approved by the corporation's board of directors and by the holders of at least two thirds of the corporation's outstanding voting stock at an annual or special meeting and not by written consent, excluding shares owned by the interested stockholder. The Delaware Law defines "interested stockholder" generally as a person who owns 15% or more of the outstanding shares of a corporation's voting stock. The Delaware Law allows corporations to opt-out of the statute with provisions expressly electing not to be governed by such statutory provisions.

The Nevada Law regulates business combinations more stringently. First, an interested stockholder is defined as a beneficial owner of ten percent (10%) or more of the voting power. Second, the three-year moratorium can be lifted only by advance approval by a corporation's board of directors, as opposed to the Delaware Law's provision that allows interested stockholder combinations with board or stockholder approval. Finally, after the three-year period, combinations remain prohibited unless they are approved by the board of directors or a majority of the outstanding voting power not beneficially owned by the interested party, or the interested stockholders satisfy certain fair-value requirements. As in Delaware, a Nevada corporation may opt out of the statute with appropriate provisions in its articles of incorporation. Neither the Company's Certificate of Incorporation nor the New Charter contains provisions electing not to be governed by such statutory provisions.

Amendment to Certificate/Articles of Incorporation

Both the Delaware Law and the Nevada Law provide that approval of proposed amendments to a corporation's certificate (in Delaware) or articles (in Nevada) of incorporation require the affirmative vote of holders of a majority of all outstanding shares entitled to vote, with each stockholder being entitled to one vote for each share so held. Both states provide that the board of directors may without stockholder approval fix the voting powers, designations, preferences, limitations, restrictions and rights of a class of stock, on condition that the corporation's organizational documents grant that power to its board of directors. Holders of the outstanding shares of a particular class are entitled to vote as a class on a proposed amendment if the amendment would alter or change the power, preferences or special rights of one or more series of any class so as to affect them adversely. Under the Nevada Law, but not under the Delaware Law, the number of authorized shares of any such class of stock may be increased or decreased and the number of shares outstanding may be correspondingly increased or decreased by a resolution adopted by the board of directors without stockholders approval.

Actions by Written Consent of Stockholders

Each of the Nevada Law and the Delaware Law provides that, unless the certificate (in Delaware) or articles (in Nevada) of incorporation provide otherwise, any action required or permitted to be taken at a meeting of the stockholders may be taken without a meeting if the holders of outstanding stock having at least the minimum number of votes that would be necessary to authorize or take such action at a meeting consents to the action in writing. In addition, the Delaware Law requires the corporation to give prompt notice of the taking of corporate action without a meeting by less than unanimous written consent to those stockholders who did not consent in writing.

Stockholder Vote for Mergers and Other Corporate Reorganizations

In general, both jurisdictions provide that merger of a corporation or sale of substantially all of its assets requires the approval of a majority of outstanding shares entitled to vote, as well as approval by the board of directors. Neither the Nevada Law nor the Delaware Law requires stockholder approval by the stockholders of a surviving corporation in a merger or consolidation as long as the surviving corporation issues no more than 20% of its voting stock in the transaction.

Dissenters' Rights

In both jurisdictions, dissenting stockholders of a corporation engaged in certain major corporate transactions are entitled to appraisal rights. Appraisal rights permit a stockholder to receive cash equal to the fair market value of the stockholder's shares (as determined by agreement of the parties or by a court) in lieu of the consideration such stockholder would otherwise receive in any such transaction.

Under the Delaware Law, appraisal rights are generally available for the shares of any class or series of stock of a Delaware corporation in a merger or consolidation, provided that no appraisal rights are available for the shares of any class or series of stock which, at the record date for the meeting held to approve such transaction, were either (1) listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. ("NASD") or (2) held of record by more than 2,000 stockholders. Even if the shares of any class or series of stock meet the requirements of clause (1) or (2)

above, appraisal rights are available for such class or series if the holders thereof receive in the merger or consolidation anything except:

- shares of stock of the corporation surviving or resulting from such merger or consolidation;
- shares of stock of any other corporation which at the effective date of the merger or consolidation is either listed on a national securities exchange, or designated as a national market system security on an interdealer quotation system by the NASD or held of record by more than 2,000 stockholders;
- cash in lieu of fractional shares; or
- any combination of the foregoing.

No appraisal rights are available to stockholders of the surviving corporation if the merger did not require their approval.

Under the Nevada Law, a stockholder is entitled to dissent from, and obtain payment for the fair value of his or her shares in the event of (i) consummation of a plan of merger, if approval by the stockholders is required and the stockholder is entitled to vote on the merger or if the domestic corporation is a subsidiary and is merged with its parent, (ii) a plan of exchange in which the corporation is a party, or (iii) any corporate action taken pursuant to a vote of the stockholders, if the articles of incorporation, by-laws or a resolution of the board of directors provides that voting or nonvoting stockholders are entitled to dissent and obtain payment for their shares.
As with the Delaware Law, the Nevada Law provides an exception to dissenters' rights. Holders of securities listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the NASD or held by at least 2,000 stockholders of record are generally not entitled to dissenters' rights. This exception is not, however, available if the articles of incorporation of the corporation issuing the shares state that it is not available, or if the holders of the class or series are required under the plan of merger or exchange to accept for the shares anything except specified kinds of consideration (which are essentially identical to those specified in the analogous provision of the Delaware Law).

Stockholder Inspection Rights

The Delaware Law grants any stockholder of record the right to inspect and to copy for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other records. A proper purpose is one reasonably related to such person's interest as a stockholder. Directors also have the right to examine the corporation's stock ledger, a list of its stockholders and its other records for a purpose reasonably related to their positions as directors.

Under the Nevada Law, only a stockholder of record who owns at least 15% of the corporation's outstanding shares, or has been authorized in writing by holders of at least 15% of the outstanding shares, is entitled to inspect and make copies of the corporation's financial records. Only a person who has been a stockholder of record for at least six months, or who owns at least 5% of the corporation's outstanding shares or has been authorized in writing by holders of at least 5% of the outstanding shares, is entitled to inspect and make copies of the corporation's stock ledger, articles of incorporation and by-laws.

Derivative Suits

Under both the Delaware Law and the Nevada Law, a stockholder may bring a derivative action on behalf of the corporation only if the stockholder was a stockholder of the corporation at the time of the transaction in question or the stockholder acquired the stock thereafter by operation of law.

Special Meetings of Stockholders

The Delaware Law permits special meetings of stockholders to be called by the board of directors or by any other one or more persons authorized in the certificate of incorporation or by-laws to call a special stockholder meeting. The Nevada Law permits the entire board of directors, any two directors, or the president to call special meetings of

stockholders, unless the articles of incorporation or by-laws provide otherwise. There will be no difference in stockholders' rights with respect to this issue because the New By-laws and the Company's By-Laws each provide that a special meeting of stockholders may only be called by the Board of Directors pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office.

Certain Material Federal Income Tax Consequences of the Merger

The following is a summary of certain material anticipated federal income tax consequences of the Merger. This summary is based on the federal income tax laws now in effect and as currently interpreted; it does not take into account possible changes in such laws or interpretations, including amendments to applicable statutes, regulations and proposed regulations or changes in judicial or administrative rulings, some of which may have retroactive effect. In addition, the summary discussion is intended to address only those federal income tax consequences that are generally applicable to a stockholder who holds shares of Common Stock as a capital asset. This summary is provided for general information only and does not purport to address all aspects of the possible federal income tax consequences of the Merger and IS NOT INTENDED AS TAX ADVICE TO ANY PERSON. In particular, and without limiting the foregoing, this summary does not consider the federal income tax consequences to stockholders of the Company in light of their individual investment circumstances or to holders subject to special treatment under the federal income tax laws (for example, life insurance companies, regulated investment companies, foreign taxpayers, persons who received their shares of Common Stock as compensation in connection with the performance of services or on exercise of options received as compensation in connection with the performance of services). This summary does not address any consequence of the Merger under any state, local or foreign tax laws.

No ruling from the Internal Revenue Service or opinion of counsel will be obtained regarding the federal income tax consequences to the stockholders of the Company as a result of the Merger. ACCORDINGLY, EACH STOCKHOLDER IS ENCOURAGED TO CONSULT HIS OR HER TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF THE PROPOSED TRANSACTION TO SUCH STOCKHOLDER, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS.

The Company believes that the Merger will be a tax-free reorganization of the Company. If the Merger qualifies as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), a stockholder of the Company who exchanges his or her shares of Common Stock solely for shares of Designs - Nevada Common Stock would recognize no gain or loss for federal income tax purposes. In addition, a stockholder's aggregate tax basis in his or her shares of Designs - Nevada Common Stock received as a result of the Merger should be the same as his or her aggregate tax basis in the shares of the Common Stock exchanged therefor, and the stockholder's holding period for the shares of Designs - Nevada Common Stock should include the period during which such stockholder held the shares of Common Stock surrendered in the Merger.

THE TAX CONSEQUENCES OF THE MERGER TO ANY PARTICULAR STOCKHOLDER MAY DIFFER DEPENDING UPON THAT STOCKHOLDER'S OWN CIRCUMSTANCES AND TAX POSITION. FURTHERMORE, THIS SUMMARY DOES NOT DISCUSS ANY ASPECTS OF STATE, LOCAL, FOREIGN OR OTHER TAX LAWS. EACH STOCKHOLDER IS URGED TO CONSULT WITH SUCH STOCKHOLDER'S OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO SUCH STOCKHOLDER OF THE MERGER.

Required Vote

The Board of Directors believes that the approval of the Reincorporation Proposal, including the Merger, the New Charter and the New By-laws, is in the best interests of the stockholders of the Company. The approval of the Reincorporation Proposal requires the affirmative vote of a majority of the issued and outstanding shares of Common Stock entitled to vote thereon.

The Board of Directors unanimously recommends that you vote FOR the reincorporation of the Company to change the Company's state of incorporation from Delaware to Nevada.

PROPOSAL 6

RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

Subject to ratification by the stockholders of the Company, the Board of Directors has selected Ernst & Young LLP as independent auditors for the Company for the fiscal year ending February 1, 2003. Ernst & Young LLP were engaged as the Company's auditors in October 2000. If stockholders fail to ratify the selection of such auditors, the Board of Directors will reconsider the selection.

Audit Fees

Ernst & Young LLP billed the Company an aggregate of $158,350 in fees for professional services rendered in connection with the audit of the Company's financial statements for the fiscal year ended February 2, 2002 included in the Company's Annual Report on Form 10-K and the reviews of the financial statements included in each of the company's Quarterly Reports on Form 10-Q during fiscal 2002.

Financial Information Systems Designs and Implementation Fees

For the fiscal year ended February 2, 2002, Ernst & Young LLP did not provide the Company and its affiliates with any professional services in connection with the designs and implementation of financial information systems.

All Other Fees

For the fiscal year ended February 2, 2002, Ernst & Young LLP billed the Company an aggregate of $147,060 in fees for other services rendered to the Company and its affiliates, including audit-related service fees of $35,000, tax service fees of $108,160 and other non-audit fees of $3,900. Audit-related service fees include fees for benefit plan and statutory audits. Ernst & Young LLP did not provide any internal audit services to the Company.

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting and will have the opportunity to make a statement if they desire to do so and to respond to appropriate questions.

The Audit Committee and the Board of Directors unanimously recommend that you vote FOR the ratification of the selection of Ernst & Young LLP as independent auditors of the Company.

PERFORMANCE GRAPH

The following Performance Graph compares the Company's cumulative stockholder return with that of a broad market index (Standard & Poor's Industrials Index) and one published industry index (Standard & Poor's 500 - Composite Retail Index) for each of the most recent five years ended January 31. The cumulative stockholder return for shares of the Company's Common Stock and each of the indices is calculated assuming that $100 was invested on January 31, 1997. The Company paid no cash dividends during the periods shown. The performance of the indices is shown on a total return (dividends reinvested) basis. The graph lines merely connect January 31 of each year and do not reflect fluctuations between those dates. In addition there is a chart of the annual percentage return of the Company's Common Stock, the S & P Industrial and Composite Retail 500.

[GRAPHIC OMITTED]

Annual Return Percentage

	Years Ending				
Company/Index	Jan 98	Jan 99	Jan00	Jan 01	Jan 02
DESIGNS, INC.	(63.54)	28.58	(46.67)	50.00	77.78
S&P INDUSTRIALS	23.80	32.14	16.12	(8.48)	(18.56)
COMPOSITE RETAIL- 500	46.73	62.73	(1.65)	3.46	4.13

Indexed Returns

	Base Period					
Company/Index	Jan 97	Jan 98	Jan 99	Jan 00	Jan01	Jan02
DESIGNS, INC.	100	36.46	46.88	25.00	37.50	66.67
S&P INDUSTRIALS	100	123.80	163.59	189.96	173.86	141.59
COMPOSITE RETAIL - 500	100	146.73	238.78	234.85	242.97	253.01

To supplement the five year historical performance shown above, below is a Performance Graph which compares the Company's cumulative stockholder return as of May 17, 2002, since the change in control which occurred in October 1999. At the Company's Annual Meeting of Stockholders held in October 1999, the stockholders voted to elect a new slate of directors supported by Jewelcor Management, Inc.

[GRAPHIC OMITTED]

Limitation of Liability; Indemnification

The Company's Certificate of Incorporation provides that no director of the Company shall be personally liable to the Company or to any of its stockholders for monetary damages arising out of such director's breach of fiduciary duty, except to the extent that the elimination or limitation of liability is not permitted by the Delaware General Corporation Law. The Delaware General Corporation Law, as currently in effect, permits a corporation to eliminate the liability of directors for breach of fiduciary duty, except that directors remain liable for (i) any breach of the directors' duty of loyalty to a company or its stockholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) any payment of a dividend or approval of a stock repurchase that is illegal under Section 174 of the Delaware General Corporation Law, or (iv) any transaction from which the directors derived an improper personal benefit. The effect of this provision of the Certificate of Incorporation is that directors cannot be held liable for monetary damages arising from breaches of their duty of care, unless the breach involves one of the four exceptions described in the preceding sentence. The provision does not prevent stockholders from obtaining injunctive or other equitable relief against directors, nor does it shield directors from liability under federal or state securities laws.

The Certificate of Incorporation and the Company's By-Laws further provide for indemnification of the Company's directors and officers to the fullest extent permitted by Section 145 of the Delaware General Corporation Law, including circumstances in which indemnification is otherwise discretionary.

Certain Relationships and Related Transactions

Jewelcor Management, Inc.

On October 28, 1999, the Company entered into a consulting agreement with Jewelcor Management, Inc. ("JMI") to assist in developing and implementing a strategic plan for the Company and for other related consulting services as may be agreed upon between JMI and the Company. Seymour Holtzman, who became the Company's Chairman of the Board of Directors on April 11, 2000, is a beneficial holder of approximately 20% of the outstanding Common Stock of the Company (principally held by JMI). He is also the President and Chief Executive Officer, and indirectly, with his wife, the primary shareholder, of JMI. In fiscal 2000, JMI received compensation under this agreement totaling $347,560 which consisted of (i) a stock option to purchase 400,000 shares of Common Stock, which was valued by an independent third party, using a growth model, at $63,560, and (ii) the issuance of 203,489 shares of Common Stock, which had an aggregate market value of $240,000.

In June 2000, JMI received 182,857 non-forfeitable and fully vested shares of Common Stock in connection with the Company extending its consulting arrangement with JMI for an additional one-year period commencing on April 29, 2000 and ending on April 29, 2001. The fair value of those shares on June 26, 2000, the date of issuance, was $240,000 or $1.3125 per share. This consulting agreement was extended through April 29, 2002 and as compensation JMI received 61,856 non-forfeitable and fully vested shares of Common Stock with a fair value of $240,000 on May 25, 2001. The consulting agreement was again extended through April 29, 2003 and as compensation JMI received 60,659 non-forfeitable and fully vested shares of Common Stock with a fair value of $276,000 on April 29, 2002. The base rate of such compensation was agreed to be increased to $276,000 per annum in connection with the Casual Male Acquisition. The JMI consulting agreement includes a significant disincentive for non-performance, which would require JMI to pay to the Company a penalty equal to 150% of any unearned consulting services.

In fiscal 2000, the Company also reimbursed JMI in the amount of $400,000, which was paid in shares of Common Stock, for expenses incurred by JMI in connection with the October 1999 proxy solicitation. Based on the closing price of the stock on October 29, 1999, JMI received 346,021 shares of Common Stock.

JMI invested an aggregate of $5,750,000 in the recent private placement of the Company's senior subordinated notes, on terms no less favorable to the Company than the terms negotiated by the Company with unrelated third party investors. As a result, JMI acquired: (i) a 12% Senior Subordinated Note due 2007 in the principal amount of $4,500,000 with interest payable quarterly and Conditional Warrants to acquire 315,000 shares of Common Stock at an exercise price of $0.01 per share and (ii) a 12% Senior Subordinated Note due 2007 in the principal amount of $1,250,000 with interest payable quarterly, Conditional Warrants to acquire 87,500 shares of Common Stock at an exercise price of $0.01 per share, and Conditional Warrants to acquire 147,059 shares of Common Stock at an exercise price of $8.50 per share. The exercisability of such Conditional Warrants is subject to stockholder approval thereof pursuant to Proposal 4.

Officers and Directors Participating in Private Placement

Certain officers and directors of the Company participated in the Company's recent private placement of the Series B Preferred Stock. Of the 180,162 shares of Series B Preferred Stock issued, such officers and directors of the Company acquired an aggregate of 1,655 shares. See "Security Ownership of Management" for more information regarding each individual's participation.

On May 14, 2002, Stephen M. Duff, a Senior Investment Manager at The Clark Estates, Inc., was appointed as a director of the Company. Clark Partners I, L.P., one of several investment funds of The Clark Estates, Inc., has invested an aggregate of $11,250,000 in the recent private placement of the Company's senior subordinated notes and acquired Non-conditional Warrants to purchase 787,500 shares of Common Stock at an exercise price of $0.01 per share and Conditional Warrants to purchase, subject to stockholder approval, 147,059 shares of Common Stock at an exercise price of $8.50 per share. In addition, Clark Partners I, L.P. also purchased 14,118 shares of Series B Preferred Stock.

Certain Arrangements with Other Directors

On February 8, 2000, the Company retained Mr. Porter as a consultant to advise the Company with regard to merchandising strategies and operations. As compensation for these services, Mr. Porter is paid a rate of $2,000 per day, payable at his election in cash or in shares of Common Stock, plus reimbursement of reasonable out-of-pocket expenses. Mr. Porter was paid $4,000 and $13,661 as compensation and reimbursement of related expenses for fiscal 2002 and 2001, respectively. As part of his compensation, Mr. Porter was also granted stock options exercisable for up to 30,000 shares of Common Stock. The per share exercise price of these options was the closing price of the Common Stock on the date of grant.

In June 2000, the Company extended a loan to David A. Levin, its President and Chief Executive Officer, in the amount of $196,875 in order for Mr. Levin to acquire from the Company 150,000 newly issued shares of Common Stock at the closing price of the Common Stock on that day. The Company and Mr. Levin entered into a secured promissory note, whereby Mr. Levin agrees to pay to the Company the principal sum of $196,875 plus interest due and payable on June 26, 2003. The promissory note bears interest at a rate of 6.53% per annum and is secured by the 150,000 acquired shares of Common Stock.

Relationship with Independent Public Accountants

On October 3, 2000, Deloitte & Touche LLP ("Deloitte & Touche") resigned as the Company's independent accountants. On October 11, 2000, the Company engaged Ernst & Young LLP as its new principal independent accountants. The appointment of Ernst & Young LLP as the Company's independent auditors was unanimously approved by the Audit Committee of the Company's Board of Directors.

Deloitte & Touche served as the Company's principal independent accountants from December 21, 1999 to October 3, 2000. During fiscal 2000 and thereafter through October 3, 2000, there were no disagreements between the Company and Deloitte & Touche on matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of Deloitte & Touche, would have caused Deloitte & Touche to make reference to the subject matters thereof in its reports. During the fiscal 2000 and thereafter through October 3, 2000, there was no occurrence of the kinds of events described in Item 304(a)(1)(v) of Regulations S-K promulgated by the Commission. In addition, none of the reports issued by Deloitte & Touche concerning the Company's financial statements for the fiscal year end January 29, 2000 and thereafter through October 3, 2000 contained any adverse opinion or disclaimer of opinion. Such reports were not qualified or modified as to uncertainty, audit scope, or accounting principles.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in the Annual Report with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with the independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards. In addition, the Audit Committee has discussed with the independent auditors the auditors' independence from management and the Company including the matters in the written disclosures required by the Independence Standards board and considered the compatibility of non-audit services with the auditors' independence.

The Audit Committee discussed with the Company's independent auditors the overall scope and plans for their audit. The Audit Committee meets with the independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. The Audit Committee held five meetings during the fiscal year ended February 2, 2002.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended February 2, 2002 for filing with the Commission. The Audit Committee and the Board have also recommended, subject to ratification by the Company's stockholders, the selection of Ernst & Young LLP as the Company's independent auditors.

THE AUDIT COMMITTEE
Jesse Choper
Joseph Pennacchio
Jeremiah P. Murphy, Jr.

WHERE YOU CAN FIND MORE INFORMATION

The Company files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. You may read and copy these reports and other information filed by the Company at the Public Reference Section of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

The SEC also maintains an Internet world wide web site that contains reports, proxy statements and other information about issuers, like the Company and Casual Male, who file electronically with the SEC through the Electronic Data Gathering, Analysis and Retrieval (EDGAR) system. The address of this site is http://www.sec.gov.

Access to this information as well as other information on the Company is also available on the Company's website at http://www.designsinc.com.

The documents set forth below that the Company has previously filed with the SEC contain important information about the Company and its financial condition. Copies of these documents (except the Current Report on Form 8-K/A filed on May 23, 2002) without attachments are being mailed with this Proxy Statement.

Designs, Inc. SEC Filings (Commission File No. 0-15898):

Annual Report on Form 10-K	Fiscal Year ended February 2, 2002
Current Report on Form 8-K	Filed on May 23, 2002
Current Report on Form 8-K/A	Filed on May 23, 2002
Current Report on Form 8-K/A	Filed on June 14, 2002

SOLICITATION

The Company will bear the cost of solicitation of proxies. In addition to the use of the mails, proxies may be solicited by certain officers, directors and employees of the Company without extra compensation, by telephone, facsimile or personal interview. D.F. King & Company, Inc. has been retained by the Company for a fee not to exceed $5,000 to aid in solicitation of proxies.

DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS

Only one copy of the Proxy Statement is being delivered to multiple stockholders sharing an address unless the Company has received contrary instructions from one or more of the stockholders in question. If you are one of a number of stockholders sharing a single address and would like to receive a separate copy of the Proxy Statement or if you would like to request that the Company send you a separate copy of annual reports or proxy statements, as applicable, in the future, please contact the Company at the following address. The Company will send you a copy of the Proxy Statement promptly after it receives your written or oral request.

STOCKHOLDER PROPOSALS

Under the rules of the Commission, in order for any shareholder proposal to be included in the Company's proxy statement and proxy card for presentation at the 2003 Annual Meeting of Stockholders, the proposal must be received by the Secretary of the Company at the Company's principal executive offices by February 8, 2003 (120 days before the anniversary date of the date this Proxy Statement is being mailed to the Company's stockholders).

The Company's By-Laws provide that for business to be properly brought before an Annual Meeting of Stockholders (or any Special Meeting in lieu of Annual Meeting of Stockholders), a stockholder must: (i) give timely written notice to the Secretary of the Company describing any proposal to be brought before such meeting; and (ii) be present at such Annual Meeting, either in person or by a representative. Such procedural requirements are fully set forth in Section 3.14 of the By-Laws. A stockholder's notice will be timely if delivered to, or mailed to and received by, the Company not less than seventy-five days nor more than one hundred twenty days prior to the

anniversary date of the immediately preceding Annual Meeting (the "Anniversary Date"). To bring an item of business before the 2003 Annual Meeting, a stockholder must deliver the requisite notice of such item to the Secretary of the Company not before April 10, 2003 nor later than May 25, 2003. In the event the Annual Meeting is scheduled to be held on a date more than thirty days before the Anniversary Date or more than sixty days after the Anniversary Date, however, a stockholder's notice will be timely delivered to, or mailed to, and received by, the Company not later than the close of business on the later of (a) the seventy-fifth day prior to the scheduled date of such Annual Meeting or (b) the fifteenth day following the day on which public announcement of the date of such Annual Meeting is first made by the Company.

OTHER MATTERS

As of this date, management knows of no business which may properly come before the Annual Meeting other than that stated in the Notice of Annual Meeting of Stockholders. Should any other business arise, proxies given in the accompanying form will be voted in accordance with the discretion of the person or persons voting them.

DESIGNS, INC.
Notice of 2002 Annual Meeting of
Stockholders and Proxy Statement
Thursday, August 8, 2002
9:00 A.M.

Friars Club
57 East 55th Street
New York, New York 10022

Please sign your proxy and return it in the enclosed postage-paid envelope so that you may be represented at the Annual Meeting.

EXHIBIT A

FORM OF

AGREEMENT AND PLAN OF MERGER

This merger agreement is dated ________, 2002, and is between DESIGNS, INC., a Nevada corporation ("Designs Nevada"), and DESIGNS, INC., a Delaware corporation ("Designs Delaware").

Designs Nevada is a corporation incorporated in the State of Nevada and is governed by the provisions of Chapter 78 of the Nevada Revised Statutes (the "NRS").

Designs Delaware is a corporation incorporated in the State of Delaware and is governed by the provisions of the Delaware General Corporation Law (the "DGCL").

Designs Delaware desires to change its corporate domicile from Delaware to Nevada by means of a statutory merger whereby Designs Delaware will be merged into Designs Nevada and the separate corporate existence of Designs Delaware will cease.

The parties intend, by executing this agreement, to adopt a plan of reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended (the "Code"), and to cause the merger described in this agreement to qualify as a tax-free reorganization under the provisions of Section 368 of the Code.

The parties hereby agree as follows:

ARTICLE 1
PRINCIPAL TERMS OF THE MERGER

1.1 Merger. At the Effective Time, Designs Delaware will merge into Designs Nevada in accordance with the DGCL and the NRS (that merger, the "Merger"). The separate existence of Designs Delaware will thereupon cease and Designs Nevada will be the surviving corporation (in that capacity, the "Surviving Corporation") and will continue its corporate existence under the laws of the State of Nevada.

1.2 Effective Time. The Merger will become effective on the date a certificate of ownership and merger is filed by the Surviving Corporation with the Secretary of State of the State of Delaware in accordance with Section 253 of the DGCL or the date articles of merger are filed by the Surviving Corporation with the Secretary of State of the State of Nevada in accordance with Chapter 92A of the NRS, whichever filing occurs later (that date, the "Effective Time").

1.3 Effects of the Merger. At the Effective Time, the Merger will have the effects specified in the DGCL, the NRS, and this agreement.

1.4 Articles of Incorporation. At the Effective Time, the articles of incorporation of Designs Nevada as in effect immediately prior to the Effective Time will become the articles of incorporation of the Surviving Corporation until duly amended in accordance with its terms and the NRS.

1.5 Bylaws. At the Effective Time, the bylaws of Designs Nevada as in effect immediately prior to the Effective Time will become the bylaws of the Surviving Corporation until duly amended in accordance with their terms and as provided by the NRS.

1.6 Directors and Officers. At the Effective Time, the directors and officers of Designs Delaware in office at the Effective Time will retain their positions as the directors and officers, respectively, of the Surviving Corporation, each of those directors and officers to hold office, subject to the applicable provisions of the articles of incorporation and bylaws of the Surviving Corporation and the NRS, until his or her successor is duly elected or appointed or until his or her earlier death, incompetence, or removal.

ARTICLE 2
CONVERSION AND CANCELLATION OF STOCK

2.1 Conversion. (a) By virtue of the Merger, at the Effective Time the following will occur:

(1) each share of Designs Delaware common stock, par value $0.01 per share, outstanding immediately prior to the Effective Time will be converted into one share of Designs Nevada common stock, par value $0.01 per share;

(2) each share of Series A preferred stock, par value $0.01 per share, of Designs Delaware outstanding immediately prior to the Effective Time will be converted into one share of Series A preferred stock, par value $0.01 per share, of Designs Nevada; and

(3) each outstanding option, warrant, or other security exercisable for or convertible into shares of Designs Delaware common stock will be assumed by Designs Nevada and will be converted into the right to acquire an equal number of shares of Designs Nevada common stock, under the same terms and conditions as the original options, warrants, and other securities.

(b) As of the Effective Time, outstanding stock certificates representing shares of Designs Nevada common stock and Series A preferred stock will represent the same number of shares of Designs Nevada common stock and Series A preferred stock, and the holder thereof will be entitled to precisely the same rights as a holder of certificates issued by Designs Nevada.

2.2 Cancellation. At the Effective Time, each share of Designs Nevada common stock issued and outstanding immediately prior to the Effective Time and held by Designs Delaware will be canceled without any consideration being issued or paid therefor.

ARTICLE 3
CONDITIONS

3.1 Conditions. Consummation of the Merger is subject to the satisfaction at or prior to the Effective Time of the condition that this agreement and the Merger are adopted and approved by Designs Delaware in the manner provided in Section 253 of the DGCL and by Designs Nevada in the manner provided in Chapter 92A.120 of the NRS.

ARTICLE 4
MISCELLANEOUS

4.1 Waiver and Amendment. Any provision of this agreement may be waived at any time by the party that is, or whose stockholders are, entitled to the benefits of that provision. This agreement may at any time prior to the Effective Time be amended by agreement of the boards of directors of the Designs Nevada and Designs Delaware. After approval of this agreement by the stockholders of Designs Delaware, this agreement may not without their further approval be amended in a way that alters (1) the amount or kind of shares of Designs Nevada to be received on conversion of shares of Designs Delaware, (2) any term of the articles of incorporation of the Surviving Corporation, or (3) any of the terms of this agreement in a way that adversely affects the rights of stockholders of Designs Delaware.

4.2 Termination. This agreement may be terminated or the consummation of the Merger may be deferred at any time prior to the Effective Time by the board of directors of Designs Delaware, without any action of the stockholders of Designs Delaware or Designs Nevada, notwithstanding the approval of this agreement by the stockholders or board of directors of either Designs Delaware or Designs Nevada.

4.3 Counterparts. This agreement may be executed in any number of counterparts, each of which is an original and all of which together constitute one and the same instrument.

4.4 Governing Law. This agreement is governed by the laws of the State of Nevada, except that consummation of the merger by Designs Delaware is governed by Delaware law.

The parties are executing this agreement on the date stated in the introductory clause.

DESIGNS, INC. [Nevada corporation]

By: -----------------------------------
Name:
Title:

DESIGNS, INC. [Delaware corporation]

By: -----------------------------------
Name:
Title:

EXHIBIT B

FORM OF

ARTICLES OF INCORPORATION
OF
DESIGNS, INC.

I, the undersigned, being the original incorporator herein named, for the purpose of forming a corporation under Title 7, Chapter 78 of the Nevada Revised Statutes (the "NRS"), do hereby adopt and make the following Articles of Incorporation.

FIRST: The name of the Corporation is Designs, Inc.

SECOND: The address of the registered office of the Corporation in the State of Nevada is 6100 Neil Road, Suite 500, Reno, Nevada 89511, and the name of its registered agent at such address is The Corporation Trust Company of Nevada.

THIRD: The nature of the business or purposes to be conducted or promoted is as follows:

To engage in retail or wholesale distribution, marketing and sale of clothing, apparel and related goods and products; to purchase or lease and maintain real property for the purpose of operating retail stores or outlets, warehouses, corporate headquarters or other related facilities; to develop, market and distribute financial, merchandising and data processing systems (including, without limitation, computer software programs) for inventory and cost control, sales reporting, financial accounting and other financial and managerial control purposes; and to engage in any businesses related to or arising from the foregoing.

To conduct or engage in any lawful act or activity for which corporations may be organized under the NRS.

FOURTH: The total number of shares of capital stock which the Corporation shall have the authority to issue shall be 50,000,000 shares of Common Stock having a par value of $.01 per share, amounting to an aggregate par value of $500,000, and 1,000,000 shares of Preferred Stock having a par value of $.01 per share, amounting to an aggregate par value of $10,000.

The voting power, preferences and relative participating, optional or other special rights and the qualifications, limitations or restrictions of the above classes of stock are as follows:

PREFERRED STOCK

The Board of Directors is authorized, subject to limitations prescribed by law, to provide for the issuance of the shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Nevada, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof.

The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

(a) The number of shares constituting that series and the distinctive designation of that series;

(b) The dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;

(c) Whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(d) Whether that series shall have conversion privileges, and, if so, the terms and conditions of such conversion, including provision for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(e) Whether or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(f) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(g) The rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series;

(h) Any other relative powers, rights, preferences and limitations of that series.

COMMON STOCK

The holders of the Common Stock shall be entitled to one vote for each share of Common Stock registered in the name of such holder. The holders of the Common Stock shall be entitled to such dividends as may from time to time be declared by the Board of Directors, but only when and as declared by the Board of Directors, out of any funds legally available for declaration of dividends, and subject to any provisions of these Articles of Incorporation, as amended from time to time, or of resolutions of the Board of Directors adopted pursuant to authority herein contained, requiring that dividends be declared, paid or set aside upon the outstanding shares of Preferred Stock of any series or upon the outstanding shares of any other class of capital stock ranking senior to the Common Stock as to dividends or that the Corporation fulfill any obligations it may have with respect to the redemption of any outstanding Preferred Stock as a condition to the declaration and/or payment of any dividend on the Common Stock; but no such provisions shall restrict the declaration or payment of any dividend or distribution on the Common Stock payable solely in shares of Common Stock. In the event of the liquidation, dissolution or winding up of the affairs of the Corporation, the holders of the Common Stock shall be entitled to share pro rata in the net assets available for distribution to holders of Common Stock after satisfaction of the prior claims of the holders of shares of Preferred Stock of any series and shares of any other class of capital stock ranking senior to the Common Stock as to assets, in accordance with the provisions of these Articles of Incorporation, as amended from time to time, or of resolutions of the Board of Directors adopted pursuant to authority herein contained.

FIFTH: In furtherance of and not in limitation of powers conferred by statute, it is further provided that:

(a) Subject to the limitations and exceptions, if any, contained in the by-laws of the Corporation, the by-laws may be adopted, amended or repealed by the Board of Directors of the Corporation.

(b) Elections of directors need not be by written ballot.

(c) Subject to any applicable requirements of law, the books of the Corporation may be kept outside the State of Nevada at such location as may be designated by the Board of Directors or in the by-laws of the Corporation.

SIXTH: The Corporation is to have perpetual existence.

SEVENTH: The Corporation shall indemnify each person who at any time is, or shall have been, a director or officer of the Corporation, and is threatened to be or is made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is, or was, a director or officer of the Corporation, or served at the request of the Corporation as a director, officer, employee, trustee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred in connection with any such action, suit or proceeding to the maximum extent permitted by the NRS as the same exists of hereafter

may be amended. The foregoing right of indemnification shall in no way be exclusive of any other rights of indemnification to which any such director or officer may be entitled, under any by-law, agreement, vote of directors or stockholders or otherwise.

EIGHTH: The personal liability of the directors of the Corporation is hereby eliminated to the fullest extent permitted or required under the NRS, as amended or supplemented. No amendment or repeal of this Article EIGHTH shall deprive a director of the benefits hereof with respect to any act or omission occurring prior to such amendment or repeal.

NINTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by statute, and this Certificate of incorporation and all rights conferred upon stockholders herein are granted subject to this reservation.

TENTH: The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors, which initially shall consist of two (2) directors. The number of directors of the Corporation may be increased or decreased in the manner provided in the by-laws of the Corporation, except that at no time shall there be less than one director. The name and the post office box or street address, either residence or business, of each of the initial members of the Board of Directors are follows:

Name	Address

ELEVENTH: The name and post office box or street address, either residence or business, of the incorporator signing these Articles of Incorporation are as follows:

Name	Address

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of ________, 2002, declaring and certifying that the facts stated hereinabove are true.

[Name], Incorporator

STATE OF _________________)
) ss.
COUNTY OF _______________)

This instrument was acknowledged before me on _______________, 2002, by [name], as Incorporator of Designs, Inc., a Nevada corporation.

Notary Public

EXHIBIT C

FORM OF

BY-LAWS
OF
DESIGNS, INC.

(A Nevada Corporation)

Section 1. ARTICLES OF INCORPORATION AND BY-LAWS

1.1 These By-Laws are subject to the Articles of Incorporation of the Corporation. In these By-Laws, references to the Articles of Incorporation and By-Laws mean the provisions of the Articles of Incorporation and the By-Laws as are from time to time in effect.

Section 2. OFFICES

2.1 REGISTERED OFFICE. The registered office shall be in the City of Reno, County of Washoe, State of Nevada.

2.2 OTHER OFFICES. The Corporation may also have offices at such other places both within and without the State of Nevada as the Board of Directors may from time to time determine or the business of the Corporation may require.

Section 3. STOCKHOLDERS

3.1 LOCATION OF MEETINGS. All meetings of the stockholders shall be held at such place either within or without the State of Nevada as shall be designated from time to time by the Board of Directors. Any adjourned session of any meeting shall be held at the place designated in the vote of adjournment.

3.2 ANNUAL MEETING. The annual meeting of stockholders shall be held for the election of directors on the second Tuesday in June in each year, unless that day be a legal holiday at the place where the meeting is to be held, in which case the meeting shall be held at the same hour on the next succeeding day not a legal holiday, or at such other date and time as shall be designated from time to time by the Board of Directors. Any other business as may be required or permitted by law or these By-Laws may properly come before the annual meeting.

3.3 SPECIAL MEETING IN PLACE OF ANNUAL MEETING. If the election for directors shall not be held on the day designated by these By-Laws, the directors shall cause the election to be held as soon thereafter as convenient, and to that end, if the annual meeting is omitted on the day herein provided therefor or if the election of directors shall not be held thereat, a special meeting of the stockholders may be held in place of such omitted meeting or election, and any business transacted or election held at such special meeting shall have the same effect as if transacted or held at the annual meeting, and in such case all references in these By-Laws to the annual meeting of the stockholders, or to the annual election of directors, shall be deemed to refer to or include such special meeting. Any such special meeting shall be called and the purposes thereof shall be specified in the call, as provided in Section 3.4.

3.4 NOTICE OF ANNUAL MEETING. Written notice of the annual meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, and signed by the President or a Vice-President, or the Secretary, or an Assistant Secretary, or by such other natural person or persons as the directors may designate shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting. No action shall be taken at such meeting unless such notice is given, or unless waiver of such notice is given by the holders of outstanding stock having not less than the minimum number of votes necessary to take such action at a meeting at which all shares entitled to vote thereon were voted. Prompt notice of all action taken in connection with such waiver of notice shall be given to all stockholders not present or represented at such meeting.

3.5 SPECIAL MEETINGS. Except as otherwise required by law and subject to the rights, if any, of the holders of any series of preferred stock, special meetings of the stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office.

3.6 NOTICE OF SPECIAL MEETING. Written notice of a special meeting of stockholders stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, and signed by the President or a Vice-President, or the Secretary, or an Assistant Secretary, or by such other natural person or persons as the directors may designate shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. No action shall be taken at such meeting unless such notice is given, or unless waiver of such notice is given by the holders of outstanding stock having not less than the minimum number of votes necessary to take such action at a meeting at which all shares entitled to vote thereon were voted. Prompt notice of all action taken in connection with such waiver of notice shall be given to all stockholders not present or represented at such meeting.

3.7 STOCKHOLDER LIST. The Secretary shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

3.8 QUORUM OF STOCKHOLDERS. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise required by law, or by the Articles of Incorporation or by these By-Laws. Except as otherwise provided by law, no stockholder present at a meeting may withhold his shares from the quorum count by declaring his shares absent from the meeting.

3.9 ADJOURNMENT. Any meeting of stockholders may be adjourned from time to time to any other time and to any other place at which a meeting of stockholders may be held under these By-Laws, which time and place shall be announced at the meeting, by a majority of votes cast upon the question, whether or not a quorum is present. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

3.10 PROXY REPRESENTATION. Every stockholder may authorize another person or persons to act for him by proxy in all matters in which a stockholder is entitled to participate, whether by waiving notice of any meeting, objecting to or voting or participating at a meeting, or expressing consent or dissent without a meeting. Every proxy must be signed by the stockholder or by his attorney-in-fact. No proxy shall be voted or acted upon after six months from its date unless such proxy provides for a longer period, which may not exceed any maximum period provided by law. Except as otherwise provided by law, a stockholder may revoke any proxy which is not irrevocable by attending the meeting for which the proxy was given and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Secretary of the Corporation. A duly executed proxy shall be irrevocable if it states that it is irrevocable and, if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally. The authorization of a proxy may but need not be limited to specified action, provided, however, that if a proxy limits its authorization to a meeting or meetings of stockholders, unless otherwise specifically provided such proxy shall entitle the holder thereof to vote at any adjourned session but shall not be valid after the final adjournment thereof.

3.11 INSPECTORS. The directors or the person presiding at the meeting may, but need not, appoint one or more inspectors of election and any substitute inspectors to act at the meeting or any adjournment

thereof. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors, if any, shall determine the number of shares of stock outstanding and the voting power of each, the shares of stock represented at the meeting, the existence of a quorum and the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the person presiding at the meeting, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them.

3.12 ACTION BY VOTE. When a quorum is present at any meeting, whether the same be an original or an adjourned session, a plurality of the votes properly cast for election to any office shall elect to such office and a majority of the votes properly cast upon any question other than an election to an office shall decide the question, except when a larger vote is required by law, by the Articles of Incorporation or by these By-Laws. No ballot shall be required for any election unless requested by a stockholder present or represented at the meeting and entitled to vote in the election.

3.13 ACTION WITHOUT MEETINGS. Unless otherwise provided in the Articles of Incorporation, any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

3.14 MATTERS TO BE CONSIDERED AT ANNUAL MEETINGS. At any annual meeting of stockholders or any special meeting in lieu of annual meeting of stockholders (for purposes of this Section 3.14 and Section 4.16 hereof, hereinafter referred to as an "Annual Meeting"), only such business shall be conducted, and only such proposals shall be acted upon, as shall have been properly brought before such Annual Meeting. To be considered as properly brought before an Annual Meeting, business must be: (a) specified in the notice of the Annual Meeting, (b) otherwise properly brought before the annual meeting by, or at the direction of, the Board of Directors, or (c) otherwise properly brought before the Annual Meeting by any holder of record (both as of the time notice of such proposal is given by the stockholder as set forth below and as of the record date for the Annual Meeting in question) of any shares of capital stock of the Corporation entitled to vote at such Annual Meeting who complies with the requirements set forth in this Section 3.14.

In addition to any other applicable requirements, for business to be properly brought before an Annual Meeting by a stockholder of record of any shares of capital stock entitled to vote at such Annual Meeting, such stockholder shall: (i) give timely notice as required by this Section 3.14 to the Secretary of the Corporation and (ii) be present at such Annual Meeting, either in person or by a representative. A stockholder's notice shall be timely if delivered to, or mailed to and received by, the Corporation at its principal executive office not less than seventy-five days nor more than one hundred twenty days prior to the anniversary date of the immediately preceding Annual Meeting (for purposes of this Section 3.14 and Section 4.16 hereof, hereinafter referred to as the "Anniversary Date"); provided, however, that in the event the Annual Meeting is scheduled to be held on a date more than thirty days before the Anniversary Date or more than sixty days after the Anniversary Date, a stockholder's notice shall be timely if delivered to, or mailed to and received by, the Corporation at its principal executive office not later than the close of business on the later of (A) the seventy-fifth day prior to the scheduled date of such Annual Meeting or (B) the fifteenth day following the day on which public announcement of the date of such Annual Meeting is first made by the Corporation.

For purposes of these By-Laws, "public announcement" shall mean: (i) disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service, (ii) a report or other document filed publicly with the Securities and Exchange Commission (including, without limitation, a Form 8-K), or (iii) a letter or report sent to all stockholders of record of the Corporation at the time of the mailing of such letter or report.

A stockholder's notice to the Secretary shall set forth as to each matter proposed to be brought before an Annual Meeting: (i) a brief description of the business the stockholder desires to bring before such Annual Meeting and the reasons for conducting such business at such Annual Meeting, (ii) the name and address, as they appear on the Corporation's stock transfer books, of the stockholder proposing such business, (iii) the class and number of shares of the Corporation' s capital stock beneficially owned by the stockholder proposing such business, (iv) the names and addresses of the beneficial owners, if any, of any capital stock of the Corporation registered in such stockholder's name on such books, and the class and number of shares of the Corporation's capital stock beneficially owned by such beneficial owners, (v) the names and addresses of other stockholders known by the stockholder proposing such business to support such proposal, and the class and number of shares of the Corporation's capital stock beneficially owned by such other stockholders, and (vi) any material interest of the stockholder proposing to bring such business before such meeting (or any other stockholders known to be supporting such proposal) in such proposal.

If the Board of Directors or a designated committee thereof determines that any stockholder proposal was not made in a timely fashion in accordance with the provisions of this Section 3.14 or that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 3.14 in any material respect, such proposal shall not be presented for action at the Annual Meeting in question. If neither the Board of Directors nor such committee makes a determination as to the validity of any stockholder proposal in the manner set forth above, the presiding officer of the Annual Meeting shall determine whether the stockholder proposal was made in accordance with the terms of this Section 3.14. If the presiding officer determines that any stockholder proposal was not made in a timely fashion in accordance with the provisions of this Section 3.14 or that the information provided in a stockholders notice does not satisfy the information requirements of this Section 3.14 in any material respect, such proposal shall not be presented for action at the Annual Meeting in question. If the Board of Directors, a designated committee thereof or the presiding officer determines that a stockholder proposal was made in accordance with the requirements of this Section 3.14, the presiding officer shall so declare at the Annual Meeting and ballots shall be provided for use at the Annual Meeting with respect to such proposal.

Notwithstanding the foregoing provisions of this Section 3.14, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder with respect to the matters set forth in this Section 3.14, and nothing in this Section 3.14 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation' s proxy statement pursuant to Rule 14a-8 under the Exchange Act.

3.15 INSPECTION OF STOCKHOLDER CONSENTS. In the event of the delivery to the Corporation of the requisite written stockholder consents to take corporate action and/or any related revocation or revocations, the Corporation shall engage nationally recognized independent inspectors of elections for the purpose of promptly performing a ministerial review of the validity of such consents and revocations. For the purpose of permitting the inspectors to perform such review, no action by written consent without a meeting shall be effective until such date as the independent inspectors certify to the Corporation that the consents delivered to the Corporation constitute at least the minimum number of votes that would be necessary to take the corporate action. Nothing contained in this paragraph shall in any way be construed to suggest or imply that the Board of Directors or any stockholder shall not be entitled to contest the validity of any consent or revocation thereof, whether before or after such certification by the independent inspectors, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

Section 4. DIRECTORS

4.1 NUMBER; QUALIFICATIONS. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

4.2 ELECTION; VACANCIES. The Board of Directors shall initially consist of persons elected as such by the incorporator. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors to replace those directors whose terms then expire. Vacancies and any newly created directorships resulting from any increase in the number of directors may be filled by vote of the

stockholders at a meeting called for the purpose, or by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. When one or more directors shall resign from the Board, effective at a future date, a majority of the directors then in office, including those who have resigned, shall have power to fill such vacancy or vacancies, the vote or action by writing thereon to take effect when such resignation or resignations shall become effective. The directors shall have and may exercise all their powers notwithstanding the existence of one or more vacancies in their number, subject to any requirements of law or of the Articles of Incorporation or of these By-Laws as to the number of directors required for a quorum or for any vote or other actions.

4.3 TENURE. Except as otherwise provided by law, by the Articles of Incorporation or by these By-Laws, each director shall hold office until the next annual meeting and until his successor is elected and qualified, or until he sooner dies, resigns, is removed or becomes disqualified.

4.4 POWERS. The business of the Corporation shall be managed by or under the direction of the Board of Directors which shall have and may exercise all the powers of the Corporation and do all such lawful acts and things as are not by law, the Articles of Incorporation or these By-Laws directed or required to be exercised or done by the stockholders.

4.5 COMMITTEES. The Board of Directors may, by vote of a majority of the whole Board, (a) designate, change the membership of or terminate the existence of any committee or committees, each committee to consist of one or more of the directors; (b) designate one or more directors as alternate members of any such committee who may replace any absent or disqualified member at any meeting of the committee; and (c) determine the extent to which each such committee shall have and may exercise the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, including the power to authorize the seal of the Corporation to be affixed to all papers which require it and the power and authority to declare dividends or to authorize the issuance of stock; excepting, however, such powers which by law, by the Articles of Incorporation or by these By-Laws they are prohibited from so delegating. In the absence or disqualification of any member of such committee and his alternate, if any, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the Board or such rules, its business shall be conducted as nearly as may be in the same manner as is provided by these By-Laws for the conduct of business by the Board of Directors. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors upon request.

4.6 REGULAR MEETING. Regular meetings of the Board of Directors may be held without call or notice at such place within or without the State of Nevada and at such times as the Board may from time to time determine, provided that notice of the first regular meeting following any such determination shall be given to absent directors. A regular meeting of the directors may be held without call or notice immediately after and at the same place as the annual meeting of the stockholders.

4.7 SPECIAL MEETINGS. Special meetings of the Board of Directors may be held at any time and at any place within or without the State of Nevada designated in the notice of the meeting, and may be called only by the Secretary upon the request of persons constituting a majority of the Special Committee of the Board of Directors formed by resolution adopted by the Board of Directors on __________, 2002, reasonable notice thereof being given to each director by the Secretary or any member of such Special Committee.

4.8 NOTICE. It shall be reasonable and sufficient notice to a director to send notice by mail at least forty-eight hours or by telegram at least twenty-four hours before the meeting, addressed to him at his usual or last known business or residence address or to give notice to him in person or by telephone at least twelve hours before the meeting. Notice of a meeting need not be given to any director if a written waiver of notice, executed by him before or after the meeting, is filed with the records of the meeting, or to any director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

4.9 QUORUM. Except as may be otherwise provided by law, by the Articles of Incorporation or by these By-Laws, at any meeting of the directors a majority of the directors then in office shall

constitute a quorum; a quorum shall not in any case be less than one-third of the total number of directors constituting the whole Board. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

4.10 ACTION BY VOTE. Except as may be otherwise provided by law, by the Articles of Incorporation or by these By-Laws, when a quorum is present at any meeting the vote of a majority of the directors present shall be the act of the Board of Directors.

4.11 ACTION WITHOUT A MEETING. Unless otherwise restricted by the Articles of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all the members of the Board or of such committee, as the case may be, consent thereto in writing, and such writing or writings are filed with the records of the meetings of the Board or of such committee. Such consent shall be treated for all purposes as the act of the Board or of such committee, as the case may be.

4.12 PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE. Unless otherwise restricted by the Articles of Incorporation or these By-Laws, members of the Board of Directors or of any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall constitute presence in person at such meeting.

4.13 COMPENSATION. Unless otherwise restricted by the Articles of Incorporation or these By-Laws, the Board of Directors shall have the authority to fix from time to time the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and the performance of their responsibilities as directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors and/or a stated salary as director. No such payment shall preclude any director from serving the Corporation or its parent or subsidiary corporations in any other capacity and receiving compensation therefor. The Board of Directors may also allow compensation for members of special or standing committees for service on such committees.

4.14 INTERESTED DIRECTORS AND OFFICERS.

(a) No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of the Corporation's directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(1) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or

(2) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(3) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders.

(b) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

4.15 RESIGNATION OR REMOVAL OF DIRECTORS. Unless otherwise restricted by the Articles of Incorporation or by law, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the stock issued and outstanding and entitled to vote at an election of directors. Any director may resign at any time by delivering his resignation in writing to the President or the Secretary or to a meeting of the Board of Directors. Such resignation shall be effective upon receipt unless specified to be effective at some other time; and without in either case the necessity of its being accepted unless the resignation shall so state. No director resigning and (except where a right to receive compensation shall be expressly provided in a duly authorized written agreement with the Corporation) no director removed shall have any right to receive compensation as such director for any period following his resignation or removal, or any right to damages on account of such removal, whether his compensation be by the month or by the year or otherwise; unless in the case of a resignation, the directors, or in the case of removal, the body acting on the removal, shall in their or its discretion provide for compensation.

4.16 DIRECTOR NOMINATIONS. Nominations of candidates for election as directors of the Corporation at any Annual Meeting may be made only (a) by, or at the direction of, a majority of the directors then in office or (b) by any holder of record (both as of the time notice of such nomination is given by the stockholder as set forth below and as of the record date for the Annual Meeting in question) of any shares of the capital stock of the Corporation entitled to vote at such Annual Meeting who complies with the timing, informational and other requirements set forth in this Section 4.16. Any stockholder who has complied with the timing, informational and other requirements set forth in this Section 4.16 and who seeks to make such a nomination, or such stockholder's representative, must be present in person at the Annual Meeting. Only persons nominated in accordance with the procedures set forth in this Section 4.16 shall be eligible for election as directors at an Annual Meeting.

Nominations, other than those made by, or at the direction of, the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation as set forth in this Section 4.16. A stockholder's notice shall be timely if delivered to, or mailed to and received by, the Corporation at its principal executive office not less than seventy-five days nor more than one hundred twenty days prior to the Anniversary Date; provided, however, that in the event the Annual Meeting is scheduled to be held on a date more than thirty days before the Anniversary Date or more than sixty days after the Anniversary Date, a stockholder's notice shall be timely if delivered to, or mailed and received by, the Corporation at its principal executive office not later than the close of business on the later of (i) the seventy-fifth day prior to the scheduled date of such Annual Meeting or (ii) the fifteenth day following the day on which public announcement of the date of such Annual Meeting is first made by the Corporation.

A stockholder's notice to the Secretary shall set forth as to each person whom the stockholder proposes to nominate for election or re-election as a director: (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of the Corporation's capital stock which are beneficially owned by such person on the date of such stockholder notice, and (iv) the consent of each nominee to serve as a director if elected. A stockholder' s notice to the Secretary shall further set forth as to the stockholder giving such notice: (i) the name and address, as the appear on the Corporation's stock transfer books, of such stockholder and of the beneficial owners (if any) of the Corporation's capital stock registered in such stockholder's name and the name and address of other stockholders known by such stockholder to be supporting such nominee(s), (ii) the class and number of shares of the Corporation's capital stock which are held of record, beneficially owned or represented by proxy by such stockholder and by any other stockholders known by such stockholder to be supporting such nominee(s) on the record date for the Annual Meeting in question (if such date shall then have been made publicly available) and on the date of such stockholder's notice, and (iii) a description of all arrangements or understandings between such stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such stockholder.

If the Board of Directors or a designated committee thereof determines that any stockholder nomination was not made in accordance with the terms of this Section 4.16 or that the information provided in a stockholder's notice does not satisfy the informational requirements of this Section 4.l6 in any material respect, then such nomination shall not be considered at the Annual Meeting in question. If neither the Board of Directors nor such committee makes a determination as to whether a nomination was made in accordance with the provisions of this Section 4.16, the presiding officer of the Annual Meeting shall determine whether a nomination was made in

accordance with such provisions. If the presiding officer determines that any stockholder nomination was not made in accordance with the terms of this Section 4.16 or that the information provided in a stockholder's notice does not satisfy the informational requirements of this Section 4.16 in any material respect, then such nomination shall not be considered at the Annual Meeting in question. If the Board of Directors, a designated committee thereof or the presiding officer determines that a nomination was made in accordance with the terms of this Section 4.16, the presiding officer shall so declare at the Annual Meeting and ballots shall be provided for use at the Annual Meeting with respect to such nominee.

Notwithstanding anything to the contrary in the second sentence of the second paragraph of this Section 4.16, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least seventy-five days prior to the Anniversary Date, a stockholder's notice required by this Section 4.16 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if such notice shall be delivered to, or mailed to and received by, the Corporation at its principal executive office not later than the close of business on the fifteenth day following the day on which such public announcement is first made by the Corporation.

No person shall be elected by the stockholders as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 4.16. Election of directors at an Annual Meeting need not be by written ballot, unless otherwise provided by the Board of Directors or presiding officer at such Annual Meeting. If written ballots are to be used, ballots bearing the names of all the persons who have been nominated for election as directors at an Annual Meeting in accordance with the procedures set forth in this Section 4.16 shall be provided for use at such Annual Meeting.

Section 5. NOTICES

5.1 FORM OF NOTICE. Whenever, under the provisions of law, or of the Articles of Incorporation or of these By-Laws, notice is required to be given to any director or stockholder, such notice may be given by mail, addressed to such director or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Unless written notice by mail is required by law, written notice may also be given by telegram, cable, telecopy, commercial delivery service, telex or similar means, addressed to such director or stockholder at his address as it appears on the records of the Corporation, in which case such notice shall be deemed to be given when delivered into the control of the persons charged with effecting such transmission, the transmission charge to be paid by the Corporation or the person sending such notice and not by the addressee. Oral notice or other in-hand delivery (in person or by telephone) shall be deemed given at the time it is actually given.

5.2 WAIVER OF NOTICE. Whenever notice is required to be given under the provisions of law, the Articles of Incorporation or these By-Laws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the stockholders, directors or members of a committee of the directors need be specified in any written waiver of notice.

Section 6. OFFICERS AND AGENTS

6.1 ENUMERATION; QUALIFICATION. The officers of the Corporation shall be a Chairman of the Board of Directors, a President, a Treasurer, a Secretary and such other officers, if any, as the Board of Directors from time to time may in its discretion elect or appoint including without limitation one or more Vice Presidents. Each of any such officers must be natural persons. Any officer may be, but none need be, a director or stockholder. Any two or more offices may be held by the same person. Any officer may be required by the Board of Directors to secure the faithful performance of his duties to the Corporation by giving bond in such amount and with sureties or otherwise as the Board of Directors may determine.

6.2 POWERS AND DUTIES OF THE OFFICERS.

(A) CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at all meetings of the Board of Directors and stockholders of the Corporation, shall generally supervise the affairs of the Corporation and see that all orders and resolutions of the Board of Directors are carried into effect, and, together with the President, shall have general supervision and direction of the other officers, employees and agents of the Corporation, subject to the control of the Board of Directors. The Chairman shall be ex officio a member of all committees of the Board of Directors except the Audit Committee, and shall have particular responsibility for supervision of the Corporation's investor relations, financial and legal affairs, and shall have such other powers and perform such other duties and functions as may from time to time be assigned by the Board of Directors.

(B) PRESIDENT. The President shall be the Chief Executive Officer of the Corporation, responsible for the general day-to-day management of the business of the Corporation. The President shall preside at all meetings of the Board of Directors and stockholders of the Corporation in the absence of the Chairman of the Board, and, together with the Chairman of the Board, shall have general supervision and direction of the other officers, employees and agents of the Corporation, subject to the control of the Board of Directors. The President shall from time to time make such reports of the affairs and operations of the Corporation as the Board of Directors may direct and shall have such other powers and perform such other duties and functions as may from time to time be assigned by the Board of Directors.

(C) SENIOR VICE PRESIDENTS. Each Senior Vice President shall have such powers and perform such duties and functions as may from time to time be assigned by the Board of Directors. One Senior Vice President shall be designated by the Board of Directors to, in the event of the President's absence or disability, perform all the duties and exercise the powers of the President.

(D) VICE PRESIDENTS. Each Vice President shall have such powers and perform such duties and functions as may from time to time be assigned by the Board of Directors.

(E) SECRETARY. The Secretary shall attend all meetings of the Board of Directors and of the stockholders of the Corporation and shall keep the minutes thereof in appropriate books. The Secretary shall give or cause to be given notice of all meetings of stockholders, and special meetings of the Board of Directors to the extent otherwise provided in the By-Laws, and shall perform such other duties as may be incidental to the office of Secretary or as may from time to time be assigned by the Board of Directors. The Secretary shall keep in safe custody the seal of the Corporation and affix it to any instrument when authorized by the Board of Directors. The Secretary shall have custody of the books and records of the Corporation, except such books and records as may be in the custody of the Treasurer or another person authorized by the Board of Directors to have such custody.

(F) TREASURER. The Treasurer shall have the custody of the corporate funds and securities of the Corporation and shall be responsible for the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Corporation, for the deposit of all moneys and other valuable effects in the name and to the credit of the corporation, and for the disbursement of the funds of the Corporation subject to the order of the Board of Directors. The Treasurer shall render to the Chairman of the Board, the President and the Board of Directors whenever they may so require an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall, if required by the Board of Directors, give the Corporation a bond in such sum or sums and with such surety or sureties as shall be satisfactory to the Board of Directors, conditioned upon the faithful performance of his or her duties.

(G) ASSISTANT SECRETARIES. The Board of Directors may appoint one or more Assistant Secretaries who shall perform the duties and exercise the powers of the Secretary in the Secretary's absence or disability and have such other powers and perform such other duties and functions of the Secretary as may from time to time be assigned by the Board of Directors.

(H) ASSISTANT TREASURERS. The Board of Directors may appoint one or more Assistant Treasurers who shall perform the duties and exercise the powers of the Treasurer in the Treasurer's absence or disability and have such other powers and perform such other duties and functions of the Treasurer as may from time to time be assigned by the Board of Directors.

(I) SUBORDINATE OFFICERS. The Corporation may have such subordinate officers as the Board of Directors may from time to time deem desirable. Each such officer shall hold office for such period and perform such duties as the Board of Directors, the Chairman of the Board or an officer designated pursuant to this Section 6 may prescribe.

(J) DELEGATION OF DUTIES. In case of the absence of any officer of the Corporation, or for any other reason that the Board of Directors may deem sufficient, the Chairman of the Board, the President or the Board of Directors may confer for the time-being the powers or duties, or any of them, of such officer upon any other officer. In the absence of an officer, that officer's duties shall be performed and his or her authority may be exercised by the next most senior officer, with seniority expressed by the order of appearance in this Section 6.2, and, within a category, by seniority in a particular position, with the right reserved to the Board of Directors to make such designation or supersede any designation so made.

6.3 ELECTION. The Board of Directors at its first meeting after each annual meeting of stockholders, or special meeting in place of an annual meeting, shall choose a Chairman, a President, a Secretary and a Treasurer. Other officers may be appointed by the Board of Directors at such meeting, at any other meeting or by written consent. At any time or from time to time, the directors may delegate to any officer their power to elect or appoint any other officer or any agents.

6.4 TENURE. Each officer shall hold office until the first meeting of the Board of Directors following the next annual meeting of the stockholders and until his successor is elected and qualified unless a shorter period shall have been specified in terms of his election or appointment, or in each case until he sooner dies, resigns, is removed or becomes disqualified. Each agent of the Corporation shall retain his authority at the pleasure of the directors, or the officer by whom he was appointed or by the officer who then holds agent appointive power.

6.5 RESIGNATION AND REMOVAL. Any officer may resign at any time by delivering his resignation in writing to the President or the Secretary or to a meeting of the Board of Directors. Such resignation shall be effective upon receipt unless specified to be effective at some other time, and without in any case the necessity of its being accepted unless the resignation shall so state. The Board of Directors may at any time remove any officer either with or without cause. The Board of Directors may at any time terminate or modify the authority of any agent. No officer resigning and (except where a right to receive compensation shall be expressly provided in a duly authorized written agreement with the Corporation) no officer removed shall have any right to any compensation as such officer for any period following his resignation or removal, or any right to damages on account of such removal, whether his compensation be by the month or by the year or otherwise; unless in the case of a resignation, the directors, or in the case of removal, the body acting on the removal, shall in their or its discretion provide for compensation.

6.6 VACANCIES. If the office of the Chairman, the President, the Treasurer or the Secretary becomes vacant, the directors may elect a successor by vote of a majority of the directors then in office. If the office of any other officer becomes vacant, any person or body empowered to elect or appoint that office may choose a successor. Each such successor shall hold office for the unexpired term of his predecessor, and in the case of the Chairman, the President, the Treasurer and the Secretary until his successor is chosen and qualified, or in each case until he sooner dies, resigns, is removed or becomes disqualified.

Section 7. CAPITAL STOCK

7.1 STOCK CERTIFICATES. Each stockholder shall be entitled to a certificate stating the number and the class and the designation of the series, if any, of the shares held by him, in such form as shall, in conformity to law, the Articles of Incorporation and the By-Laws, be prescribed from time to time by the Board of Directors. Such certificate shall be signed by the President or a Vice-President and (i) the Treasurer or an Assistant Treasurer or (ii) the Secretary or an Assistant Secretary. Any of or all the signatures on the certificate may be a facsimile. In case an officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent, or registrar at the time of its issue.

7.2 LOST CERTIFICATES. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 8. TRANSFER OF SHARES OF STOCK

8.1 TRANSFER ON BOOKS. Subject to any restrictions with respect to the transfer of shares of stock, shares of stock may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment and power of attorney properly executed, with necessary transfer stamps affixed, and with such proof of the authenticity of signature as the Board of Directors or the transfer agent of the Corporation may reasonably require. Except as may be otherwise required by law, by the Articles of Incorporation or by these By-Laws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to receive notice and to vote or to give any consent with respect thereto and to be held liable for such calls and assessments, if any, as may lawfully be made thereon, regardless of any transfer, pledge or other disposition of such stock until the shares have been properly transferred on the books of the Corporation.

It shall be the duty of each stockholder to notify the Corporation of his post office address.

Section 9. GENERAL PROVISIONS

9.1 RECORD DATE. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action to which such record date relates. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting. If no record date is fixed,

(a) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;

(b) The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed; and

(c) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

9.2 DIVIDENDS. Dividends upon the capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting or by written consent, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Articles of Incorporation.

9.3 PAYMENT OF DIVIDENDS. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or

for repairing or maintaining any property of the Corporation, or for such other purpose as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

9.4 CHECKS. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

9.5 FISCAL YEAR. The fiscal year of the Corporation shall end the Saturday closest to the 31st of January unless otherwise determined by the Board of Directors.

9.6 SEAL. The Board of Directors may, by resolution, adopt a corporate seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the word ["Nevada."] The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

The seal may be altered from time to time by the Board of Directors.

Section 10. INDEMNIFICATION

10.1 It being the intent of the Corporation to provide maximum protection available under the law to its officers and directors, the Corporation shall indemnify its officers and directors to the full extent the Corporation is permitted or required to do so by the Nevada Revised Statutes as the same exists or hereafter may be amended. Such indemnification shall include payment by the Corporation, in advance of the final disposition of a civil or criminal action, suit or proceedings, of expenses incurred by a director or officer in defending any such action, suit or proceeding upon receipt of any undertaking by or on behalf of such director or officer to repay such payment if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation. The Corporation may accept any such undertaking without reference to the financial ability of the person to make such repayment. As used in this paragraph, the terms "director" and "officer" include their respective heirs, executors, and administrators.

Section 11. AMENDMENTS

11.1 These By-Laws may be altered, amended or repealed or new By-Laws may be adopted by the stockholders or by the Board of Directors when such power is conferred upon the Board of Directors by the Articles of Incorporation, at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors. If the power to adopt, amend or repeal By-Laws is conferred upon the Board of Directors by the Articles of Incorporation, it shall not divest or limit the power of the stockholders to adopt, amend or repeal By-Laws.

DETACH HERE

PROXY

DESIGNS, INC.

555 Turnpike Street, Canton, Massachusetts 02021

This Proxy Is Solicited On Behalf Of The Board Of Directors
For The Annual Meeting Of Stockholders To Be Held On August 8, 2002

The undersigned stockholder of Designs, Inc., hereby appoints David A. Levin and Dennis R. Hernreich, and each of them, proxies, with full power of substitution to each and to each substitute appointed pursuant to such power, to vote all shares of Common Stock of the Company which the undersigned would be entitled to vote if personally present at the Annual Meeting of Stockholders of the Company to be held on August 8, 2002, at 9:00 A.M. local time, at the Friars Club, 57 East 55th Street, New York, New York, and at any adjournment thereof, with all powers the undersigned would possess if personally present, as set forth on the reverse hereof, upon the matters set forth thereon and more fully described in the Notice and Proxy Statement for such Annual Meeting, and, in their discretion, upon all such other matters as may properly come before the Annual Meeting. The undersigned hereby revokes all proxies, if any, hitherto given by the undersigned for such Annual Meeting.

SEE REVERSE SIDE (CONTINUED AND TO BE SIGNED ON REVERSE SIDE) SEE REVERSE SIDE

DETACH HERE

|X| PLEASE MARK VOTES AS IN THIS EXAMPLE.

IF THIS PROXY IS PROPERLY EXECUTED AND RETURNED IT WILL BE VOTED AS SPECIFIED HEREIN. IF NO SPECIFIC DIRECTION IS GIVEN, IT WILL BE VOTED "FOR" EACH OF THE PROPOSALS. RECEIPT IS HEREBY ACKNOWLEDGED OF THE NOTICE OF ANNUAL MEETING AND PROXY STATEMENT OF DESIGNS, INC. DATED JULY 8, 2002.

1. Election of Directors: THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ALL NOMINEES NAMED BELOW.

Nominees: (1) Seymour Holtzman, (2) David A. Levin, (3) Alan Cohen, (4) Jesse Choper, (5) Stephen M. Duff, (6) Jeremiah P. Murphy, Jr., (7) Joseph Pennacchio and (8) George T. Porter, Jr.

|_| FOR ALL NOMINEES |_| WITHHELD FROM ALL NOMINEES

|_| FOR, except vote withheld from the nominee(s) as noted above.

2. Amendment to the Company's Certificate of Incorporation to change the name of the Company to "Casual Male Retail Group, Inc.": THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL 2.

FOR |_| AGAINST |_| ABSTAIN |_|

3. Amendment to the Company's Certificate of Incorporation to increase the authorized number of shares of common stock: THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL 3.

FOR |_| AGAINST |_| ABSTAIN |_|

4. Approval of issuance of additional common stock: THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL 4.

FOR |_| AGAINST |_| ABSTAIN |_|

5. Approval of reincorporation of the Company to change the Company's state of incorporation from Delaware to Nevada: THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL 5.

FOR |_| AGAINST |_| ABSTAIN |_|

6. Ratification of selection of Ernst & Young LLP as independent auditors for the Company: THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL 6.

FOR |_| AGAINST |_| ABSTAIN |_|

MARK HERE IF YOU PLAN TO ATTEND THE MEETING |_|

MARK HERE FOR ADDRESS CHANGE AND NOTE AT LEFT |_|

IMPORTANT: Please sign your name or names exactly as printed on this proxy and fill in the date next to your signature. If more than one person is named, each must sign. When signing as attorney, executor, administrator, trustee or guardian, give title as such. If the stockholder is a corporation, this proxy should be signed by an authorized officer and such officer should state his/her title.

Signature: ___________ Date: _______ Signature: ____________Date: ______