

The Honorable Ricardo S. Martinez

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

CASCADE YARNS, INC., a Washington
corporation,

Plaintiffs,

v.

KNITTING FEVER, INC., a New York
corporation, DESIGNER YARNS, LTD., a
corporation of England, FILATURA
PETTINATA V.V.G. DI STEFANO
VACCARI & C. (S.A.S.), an entity organized
under the laws of Italy, SION ELALOUF, a
natural person, DIANE ELALOUF, a natural
person, JAY OPPERMAN, a natural person,
DEBBIE BLISS, a natural person, DAVID
WATT, a natural person, and DOES 1-50,

Defendants

Case No. C:10-00861 RSM

**DECLARATION OF SION
ELALOUF IN OPPOSITION TO
CASCADE'S MOTION FOR
PARTIAL SUMMARY
JUDGMENT**

**NOTE ON MOTION CALENDAR:
January 14, 2011**

I, Sion Elalouf, declare as follows:

1. This declaration is based on my personal knowledge and, if called upon to
do so, I would and could testify competently as to the matters set forth herein.

DECLARATION OF SION ELALOUF
IN OPPOSITION TO CASCADE'S MOTION
FOR PARTIAL SUMMARY JUDGMENT
(Case No. C:10-00861 RSM) — 1

Pepper Hamilton LLP
3000 Two Logan Square
Philadelphia, Pennsylvania 19103-2799
(215) 981-4000 • Fax: (215) 981-4750

1 2. I am President of Defendant Knitting Fever, Inc. ("KFI"), an importer and
2 wholesale distributor of knitting yarns.

3 3. Since 2001, KFI has imported cashmere-containing yarns, initially under its
4 own house brand, and then through Designer Yarns, Ltd. ("Designer Yarns") under the
5 Debbie Bliss brand, all of which are produced by Filatura Pettinata V.V.G. Di Stefano
6 Vaccari & C. (S.A.S.) ("Filatura"), a yarn manufacturer well-regarded in the industry and
7 with whom KFI has had a long-term relationship.

8 4. In 2006, after Cascade had circulated a test report of Dr. Kenneth Langley
9 concerning one of KFI's Cashmerino yarns, I sought to confirm the fiber content of the
10 Cashmerino yarns.

11 5. In confirming that the fiber content of the Cashmerino yarns, Designer
12 Yarns provided both quantitative test reports from SGS Wool Testing Services
13 International showing the cashmere content of the tested Cashmerino yarns in compliance
14 with their labeling, and qualitative DNA test reports from Shirley Technology, Ltd.
15 showing the presence of goat fibers. True and correct copies of the quantitative and DNA
16 test reports Designer Yarns sent to KFI are attached hereto as Exhibits "A" and "B,"
17 respectively.

18 6. In addition to the test reports provided by Designer Yarns, I also secured a
19 signed and notarized statement from Filatura which confirmed that "the correct amount of
20 cashmere fibre has gone into every batch of Cashmerino yarn ever produced by Filatura
21 V.V.G." A true and correct copy of Filatura's statement is attached hereto as Exhibit "C."

22 7. Filatura also provided KFI with a copy of a test report that it had secured on
23 its Cashmerino yarns showing the cashmere content of the samples tested in compliance
24 with their labeling. A true and correct copy of the test report provided by Filatura is
25 attached hereto as Exhibit "D."

DECLARATION OF SION ELALOUF
IN OPPOSITION TO CASCADE'S MOTION
FOR PARTIAL SUMMARY JUDGMENT
(Case No. C:10-00861 RSM) — 2

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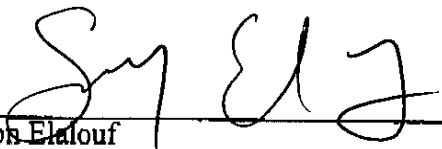
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8. In view of the foregoing, it was my understanding that the Cashmerino yarns were spun with the correct quantities of constituent fibers.

9. Since the commencement of the present lawsuit, KFI has secured test reports on different Louisa Harding and Kathmandu yarns at issue in this case which report fiber content in compliance with their labeling. True and correct copies of these Louisa Harding and Kathmandu test reports are attached hereto, collectively, as Exhibit "E."

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on January 10, 2011 at Long Beach, California.


Sion Elalouf

DECLARATION OF SION ELALOUP
IN OPPOSITION TO CASCADE'S MOTION
FOR PARTIAL SUMMARY JUDGMENT
(Case No. C:10-00861 RSM) — 3

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EXHIBIT A



Wool Testing Services International

SGS Ref. No.: **WTS 30258/1**
 SGS Area Code:
 Client's Ref.: **340101**

TEST REPORT

Date: **24-Jan-07**

Test Methods: **TEX007**

Page 1/1

CLIENT'S DESCRIPTION

BABY CASHMERINO 340101 55% WOOL/33% ACRYLIC/12% CASHMERE
 COUNTRY OF ORIGIN: ITALY COUNTRY OF DESTINATION: UK

SGS were requested to carry out a quantitative fibre analysis of the sample which was declared as being above.

TEST RESULTS

Fibre Composition of Blends Containing Animal Fibres (TEX007)

The animal fibre content was determined using projection microscopy in accordance with in-house test method TEX007. Any non-animal fibre content was determined chemically in accordance with the methods specified in BS4407/ISO1833.

Fibre	Declared(%)	Result (%)
Wool	55	54.9
Acrylic	33	32.6
Cashmere *	12	12.5

The precision of the test is not better/higher than $\pm 4\%$.

Total Number of Fibres measured and/or Counted: 1019

*Cashmere are fibres that have the characteristics of cashmere fibre, with Mean Fibre Diameter less than $19\mu\text{m}$ and Coefficient of Variation lower than 24% as defined by CCMI.

**Unidentifiable are Animal fibres that cannot be identified due to the morphology of the fibre (surface structures) being either unknown or obscured, due to for example damaged or dark colour.

***The Adjusted result is calculated assuming that these are distributed in direct proportion to the identified animal fibres when there was less than or equal to 5% by weight of Unidentifiable fibre found

Results are expressed as % by Weight.

TEST CARRIED OUT ON SAMPLE SUBMITTED BY CLIENT

Liqin Zhang

Certifying Officer

For Wool Testing Services International

SGS Wool Testing Services is part of SGS United Kingdom Ltd

TRACKING No. 45594

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Wool Testing Services International

SGS Ref. No.: **WTS 30259/1**
 SGS Area Code:
 Client's Ref.: **300101**

TEST REPORT

Date: **24-Jan-07**

Test Methods: **TEX007**

Page 1/1

CLIENT'S DESCRIPTION

CASHMERINO ARAN 300101 55% WOOL/33% ACRYLIC/12% CASHMERE
 COUNTRY OF ORIGIN: ITALY COUNTRY OF DESTINATION: UK

SGS were requested to carry out a quantitative fibre analysis of the sample which was declared as being above.

TEST RESULTS

Fibre Composition of Blends Containing Animal Fibres (TEX007)

The animal fibre content was determined using projection microscopy in accordance with in-house test method TEX007. Any non-animal fibre content was determined chemically in accordance with the methods specified in BS4407/ISO1833.

Fibre	Declared(%)	Result (%)
Wool	55	54.5
Acrylic	33	32.6
Cashmere *	12	12.9

The precision of the test is not better/higher than $\pm 4\%$.

Total Number of Fibres measured and/or Counted: 999

*Cashmere are fibres that have the characteristics of cashmere fibre, with Mean Fibre Diameter less than $19\mu\text{m}$ and Coefficient of Variation lower than 24% as defined by CCMI.

**Unidentifiable are Animal fibres that cannot be identified due to the morphology of the fibre (surface structures) being either unknown or obscured, due to for example damaged or dark colour.

***The Adjusted result is calculated assuming that these are distributed in direct proportion to the identified animal fibres when there was less than or equal to 5% by weight of Unidentifiable fibre found

Results are expressed as % by Weight.

TEST CARRIED OUT ON SAMPLE SUBMITTED BY CLIENT

Liqin Zhang

Certifying Officer

For Wool Testing Services International

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Wool Testing Services International

SGS Ref. No.: **WTS 30157/1**

SGS Area Code:

Client's Ref.: **0207C**

TEST REPORT

Date: **08-Jan-07**Test Methods: **TEX007**

Page 1/1

CLIENT'S DESCRIPTION

55% WOOL/33% ACRYLIC/12% CASHMERE

COLOR: 300101

COUNTRY OF ORIGIN: ITALY COUNTRY OF DESTINATION: UK

SGS were requested to carry out a quantitative fibre analysis of the sample which was declared as being above.

TEST RESULTS

Fibre Composition of Blends Containing Animal Fibres (TEX007)

The animal fibre content was determined using projection microscopy in accordance with in-house test method TEX007. Any non-animal fibre content was determined chemically in accordance with the methods specified in BS4407/ISO1833.

Fibre	Declared(%)	Result (%)
Wool	55	52.5
Acrylic	33	32.8
Cashmere *	12	14.7

The precision of the test is not better/higher than $\pm 4\%$.

Total Number of Fibres measured and/or Counted: 1049

*Cashmere are fibres that have the characteristics of cashmere fibre, with Mean Fibre Diameter less than $19\mu\text{m}$ and Coefficient of Variation lower than 24% as defined by CCMI.

Results are expressed as % by Weight.

TEST CARRIED OUT ON SAMPLE SUBMITTED BY CLIENT

Liqin Zhang

Certifying Officer

For Wool Testing Services International

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Wool Testing Services International

SGS Ref. No.: **WTS 30155/1**

SGS Area Code:

Client's Ref.: **0207A**

TEST REPORT

Date: **08-Jan-07**Test Methods: **TEX007**

Page 1/1

CLIENT'S DESCRIPTION

55% WOOL/33% ACRYLIC/12% CASHMERE

COLOR: 300101

COUNTRY OF ORIGIN: ITALY COUNTRY OF DESTINATION: UK

SGS were requested to carry out a quantitative fibre analysis of the sample which was declared as being above.

TEST RESULTS

Fibre Composition of Blends Containing Animal Fibres (TEX007)

The animal fibre content was determined using projection microscopy in accordance with in-house test method TEX007. Any non-animal fibre content was determined chemically in accordance with the methods specified in BS4407/ISO 1833.

Fibre	Declared(%)	Result (%)
Wool	55	52.8
Acrylic	33	32.8
Cashmere *	12	14.4

The precision of the test is not better/higher than $\pm 4\%$.

Total Number of Fibres measured and/or Counted: 1013

*Cashmere are fibres that have the characteristics of cashmere fibre, with Mean Fibre Diameter less than 19 μ m and Coefficient of Variation lower than 24% as defined by CCMI.

Results are expressed as % by Weight.

TEST CARRIED OUT ON SAMPLE SUBMITTED BY CLIENT

Liqin Zhang

Certifying Officer

For Wool Testing Services International

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Wool Testing Services International

SGS Ref. No.: **WTS 30156/1**
 SGS Area Code:
 Client's Ref.: **0207B**

TEST REPORT

Date: **08-Jan-07**

Test Methods: **TEX007**

Page 1/1

CLIENT'S DESCRIPTION

55% WOOL/33% ACRYLIC/12% CASHMERE

COLOR: 300101

COUNTRY OF ORIGIN: ITALY COUNTRY OF DESTINATION: UK

SGS were requested to carry out a quantitative fibre analysis of the sample which was declared as being above.

TEST RESULTS

Fibre Composition of Blends Containing Animal Fibres (TEX007)

The animal fibre content was determined using projection microscopy in accordance with in-house test method TEX007. Any non-animal fibre content was determined chemically in accordance with the methods specified in BS4407/ISO1833.

Fibre	Declared(%)	Result (%)
Wool	55	53.9
Acrylic	33	32.6
Cashmere *	12	13.5

The precision of the test is not better/higher than $\pm 4\%$.

Total Number of Fibres measured and/or Counted: 1025

*Cashmere are fibres that have the characteristics of cashmere fibre, with Mean Fibre Diameter less than $19\mu\text{m}$ and Coefficient of Variation lower than 24% as defined by CCMI.

Results are expressed as % by Weight.

TEST CARRIED OUT ON SAMPLE SUBMITTED BY CLIENT

Liqin Zhang
 Certifying Officer
 For Wool Testing Services International

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EXHIBIT B

**Shirley
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Unit 12, Westpoint Enterprise Park
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E-mail: info@shirleytech.co.uk

Web: www.shirleytech.co.uk

26th September 2006

David Watt
Designer yarns
Units 8-10
Newbridge Industrial Estate
Pill Street,
Keighly
West Yorkshire
BD21 4PQ

Our Ref: 20394a, 20394b and 20394c/NK
Your Ref: -

Dear Mr Watt

Please find enclosed our Confidential Test Report Nos. 20394a, 20394b and 20394c/NK on "DNA Based Fibre Analysis".

Yours sincerely

Pat Widdowson
Administration Manager



Reg. Office: Shirley Technologies Ltd.,
Wira House, West Park Ring Road, Leeds LS16 6GL, UK.
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1066
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Web: www.shirleytech.co.uk

CONFIDENTIAL TEST REPORT

Our Ref : 20394a/NK

Your Ref : -

Page 1 of 3
26th September 2006

Client: David Watt
Designer yarns
Units 8-10
Newbridge Industrial Estate
Pitt Street,
Keighly
West Yorkshire
BD21 4PQ

Job Title: DNA Based Fibre Analysis

Client's order no: -

Date of receipt: 25th August 2006
Date of test start: 4th September 2006

Description of sample(s): Debbie Bliss cashmerino aran
Colour: 300104
Dyelot: 8
Composition: 55% Merino wool
33% Microfibre
12% cashmere
STL description: Grey

Work requested: Qualitative Detection of goat fibre DNA


BTTG

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CONFIDENTIAL TEST REPORT

Our Ref : 20394a/NK

Your Ref : -

Page 2 of 3

26th September 2006

Designer Yarns

DNA Based Fibre Analysis

One sample labelled Debbie Bliss cashmerino aran; Colour: 300104; DyeLOT: 8 (grey in colour); Composition: 55% Merino wool, 33% Microfibre and 12% cashmere was sent for testing from Designer Yarns. The sample was examined for the presence of goat DNA.

1. Detection of Goat DNA

1.1 Introduction and method

This method is designed for the detection of goat DNA within speciality animal fibre products. The method involves extraction of DNA from the test sample and the use of the polymerase chain reaction (PCR) to amplify specific sections of DNA for a given animal species. Positive detection of specific amplification products usually based on size (i.e. number of base pairs) by agarose gel electrophoresis is used to confirm the presence of the target animal's DNA on the cytochrome B gene. The presence of the DNA can be used to infer the presence within the product of fibre from the target animal.

The amplified DNA products from the test sample and positive and negative control DNA samples were resolved by agarose gel electrophoresis.

1.3 Results

1.3.1 Detection of Goat fibre DNA

An amplification product specific for goat DNA was found in the standard 100% goat fibre sample confirming the validity of the test protocol.

Goat DNA amplification products were found in the sample Debbie Bliss cashmerino aran; Colour: 300104; DyeLOT: 8.

Negative control samples, as expected, gave no goat DNA amplification products.


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Web: www.shirleytech.co.uk

CONFIDENTIAL TEST REPORT

Our Ref : 20394a/NK
Your Ref : -

Page 3 of 3
26th September 2006

Designer yarns

1.2 Conclusion

According to the test, goat fibre was found to be present in the sample Debbie Bliss cashmerino aran;
Colour: 300104; Dyclot: 8.

Reported by: *N Khan*

Mrs Nibela Khan
Senior Technical Officer

Countersigned by: *Virginia H. Wilson*

Dr V H Wilson
Operational Head

Enquiries concerning this report should be addressed to Customer Services.



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CONFIDENTIAL TEST REPORT

Our Ref : 20394b/NK

Your Ref : -

Page 1 of 3
26th September 2006

Client: David Watt
Designer yarns
Units 8-10
Newbridge Industrial Estate
Pitt Street,
Keighly
West Yorkshire
BD21 4PQ

Job Title: DNA Based Fibre Analysis

Client's order no: -

Date of receipt: 25th August 2006
Date of test start: 4th September 2006

Description of sample(s): Debbie Bliss cashmerino astrakhan
Colour: 31005
Dyelot: 48
Composition: 60% Merino wool
30% Microfibre
10% cashmere

STL description: Twisted wool- golden beige

Work requested: Qualitative Detection of goat fibre DNA



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CONFIDENTIAL TEST REPORT

Our Ref : 20394b/NK
Your Ref : -

Page 2 of 3
26th September 2006

Designer Yarns

DNA Based Fibre Analysis

One sample labelled Debbie Bliss cashmerino astrakhan ; Colour: 31005; Dyelot: 48; Composition: 60% Merino wool, 30% Microfibre and 10% cashmere was sent for testing from Designer Yarns. The sample was examined for the presence of goat DNA.

1. Detection of Goat DNA

1.1 Introduction and method

This method is designed for the detection of goat DNA within speciality animal fibre products. The method involves extraction of DNA from the test sample and the use of the polymerase chain reaction (PCR) to amplify specific sections of DNA for a given animal species. Positive detection of specific amplification products usually based on size (i.e. number of base pairs) by agarose gel electrophoresis is used to confirm the presence of the target animal's DNA on the cytochrome B gene. The presence of the DNA can be used to infer the presence within the product of fibre from the target animal.

The amplified DNA products from the test sample and positive and negative control DNA samples were resolved by agarose gel electrophoresis.

1.3 Results

1.3.1 Detection of Goat fibre DNA

An amplification product specific for goat DNA was found in the standard 100% goat fibre sample confirming the validity of the test protocol.

Goat DNA amplification products were found in the sample Debbie Bliss cashmerino astrakhan; Colour: 31005; Dyelot: 48.

Negative control samples; as expected, gave no goat DNA amplification products.



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CONFIDENTIAL TEST REPORT

Our Ref : 20394b/NK
Your Ref : -

Page 3 of 3
26th September 2006

Designer yarns

1.2 Conclusion

According to the test, goat fibre was found to be present in the sample Debbie Bliss cashmerino ashrakhan ; Colour: 31005; Dyelot: 48.

Reported by: *N Khan*

Mrs Nibela Khan
Senior Technical Officer

Countersigned by: *Virginia H Wilson*

Dr V H Wilson
Operational Head

Enquiries concerning this report should be addressed to Customer Services.



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CONFIDENTIAL TEST REPORT

Our Ref : 20394c/NK
Your Ref : -

Page 1 of 3
26th September 2006

Client: David Watt
Designer yarns
Units 8-10
Newbridge Industrial Estate
Pitt Street,
Keighly
West Yorkshire
BD21 4PQ

Job Title: DNA Based Fibre Analysis

Client's order no: -

Date of receipt: 25th August 2006
Date of test start: 4th September 2006
2006

Description of sample(s): Debbie Bliss baby cashmerino
Colour: 340005
Dyelot: 50
Composition: 55% Merino wool
33% Microfibre
12% cashmere

STL description: Beige

Work requested: Qualitative Detection of goat fibre DNA



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CONFIDENTIAL TEST REPORT

Our Ref : 20394c/NK

Your Ref : -

Page 2 of 3
26th September 2006

Designer Yarns

DNA Based Fibre Analysis

One sample labelled Debbie Bliss baby cashmerino; Colour: 340005; DyeLOT: 50; Composition: 55% Merino wool, 33% Microfibre and 12% cashmere was sent for testing from Designer Yarns. The sample was examined for the presence of goat DNA.

1. Detection of Goat DNA

1.1 Introduction and method

This method is designed for the detection of goat DNA within speciality animal fibre products. The method involves extraction of DNA from the test sample and the use of the polymerase chain reaction (PCR) to amplify specific sections of DNA for a given animal species. Positive detection of specific amplification products usually based on size (i.e. number of base pairs) by agarose gel electrophoresis is used to confirm the presence of the target animal's DNA on the cytochrome B gene. The presence of the DNA can be used to infer the presence within the product of fibre from the target animal.

The amplified DNA products from the test sample and positive and negative control DNA samples were resolved by agarose gel electrophoresis.

1.3 Results

1.3.1 Detection of Goat fibre DNA

An amplification product specific for goat DNA was found in the standard 100% goat fibre sample confirming the validity of the test protocol.

Goat DNA amplification products were found in the sample Debbie Bliss baby cashmerino; Colour: 340005; DyeLOT: 50.

Negative control samples, as expected, gave no goat DNA amplification products.



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Web: www.shirleytech.co.uk

CONFIDENTIAL TEST REPORT

Our Ref : 20394c/NK
Your Ref : -

Page 3 of 3
26th September 2006

Designer yarns

1.2 Conclusion

According to the test, goat fibre was found to be present in the sample Debbie Bliss baby cashmerino;
Colour: 340005; Dyelot: 50.

Reported by: *Nibela Khan*

Mrs Nibela Khan
Senior Technical Officer

Countersigned by: *Virginia A. Wilson*

Dr V H Wilson
Operational Head

Enquiries concerning this report should be addressed to Customer Services.



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Web: www.shirleytech.co.uk

21st August 2006

David Watt
Designer yarns
Units 8-10
Newbridge Industrial Estate
Pitt Street,
Keighly
West Yorkshire
BD21 4PQ

Our Ref: 20161a and 20161b
Your Ref: -

Dear Mr Watt

Please find enclosed our Confidential Test Report Nos. 20161a and 20161b on "DNA Based Fibre Analysis".

Yours sincerely

Pat Widdowson
Administration Manager



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1066
Group

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Web: www.shirleytech.co.uk

CONFIDENTIAL TEST REPORT

Our Ref : 20161a/NK
Your Ref : -

Page 1 of 3
17th August 2006

Client: David Watt
Designer yarns
Units 8-10
Newbridge Industrial Estate
Pitt Street,
Keighly
West Yorkshire
BD21 4PQ

Job Title: DNA Based Fibre Analysis

Client's order no: -

Date of receipt: 21st July 2006
Date of test start: 25th July 2006

Description of sample(s): Debbie Bliss cashmerino chunky
Colour: 17005 (Deep pink ball of wool)
Composition: 55% Merino wool
33% Microfibre
12% cashmere

Work requested: Qualitative Detection of goat fibre DNA



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CONFIDENTIAL TEST REPORT

Our Ref : 20161a/NK
Your Ref : -

Page 2 of 3
17th August 2006

Designer Yarns

DNA Based Fibre Analysis

One sample labelled Debbie Bliss cashmerino chunky, Colour: 17005 (Deep pink), Composition 55% Merino wool, 33% Microfibre and 12% cashmere was sent for testing from Designer Yarns. The sample was examined for the presence of goat DNA.

1. Detection of Goat DNA

1.1 Introduction and method

This method is designed for the detection of goat DNA within speciality animal fibre products. The method involves extraction of DNA from the test sample and the use of the polymerase chain reaction (PCR) to amplify specific sections of DNA for a given animal species. Positive detection of specific amplification products usually based on size (i.e. number of base pairs) by agarose gel electrophoresis is used to confirm the presence of the target animal's DNA on the cytochrome B gene. The presence of the DNA can be used to infer the presence within the product of fibre from the target animal.

The amplified DNA products from the test sample and positive and negative control DNA samples were resolved by agarose gel electrophoresis.

1.3 Results

1.3.1 Detection of Goat fibre DNA

An amplification product specific for goat DNA was found in the standard 100% goat fibre sample confirming the validity of the test protocol.

Goat DNA amplification products were found in the sample Debbie Bliss cashmerino chunky, Colour: 17005 (Deep pink)

Negative control samples, as expected, gave no goat DNA amplification products.



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CONFIDENTIAL TEST REPORT

Our Ref : 20161a/NK
Your Ref : -

Page 3 of 3
17th August 2006

Designer yarns

1.2 Conclusion

According to the test, goat fibre was found to be present in the sample Debbie Bliss cashmerino chunky,
Colour: 17005 (Deep pink)

Reported by: *N Khan*

Mrs Nibela Khan
Senior Technical Officer

Countersigned by: *Virginia H. Wilson*

Dr V H Wilson
Operational Head

Enquiries concerning this report should be addressed to Customer Services.



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CONFIDENTIAL TEST REPORT

Our Ref : 20161b/NK
Your Ref : -

Page 1 of 3
17th August 2006

Client: David Watt
Designer yarns
Units 8-10
Newbridge Industrial Estate
Pitt Street,
Keighly
West Yorkshire
BD21 4PQ

Job Title: DNA Based Fibre Analysis

Client's order no: -

Date of receipt: 21st July 2006
Date of test start: 25th July 2006

Description of sample(s): Debbie Bliss cashmerino dk
Colour: 18013 (Cream ball of knitting wool)
Composition: 55% Merino wool
33% Microfibre
12% cashmere

Work requested: Qualitative Detection of goat fibre DNA



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CONFIDENTIAL TEST REPORT

Our Ref : 20161b/NK
Your Ref : -

Page 2 of 3
17th August 2006

Designer Yarns

DNA Based Fibre Analysis

One sample labelled Debbie Bliss cashmerino dk, Colour: 18013 (Cream), Composition 55% Merino wool, 33% Microfibre and 12% cashmere was sent for testing from Designer Yarns. The sample was examined for the presence of goat DNA.

1. Detection of Goat DNA

1.1 Introduction and method

This method is designed for the detection of goat DNA within speciality animal fibre products. The method involves extraction of DNA from the test sample and the use of the polymerase chain reaction (PCR) to amplify specific sections of DNA for a given animal species. Positive detection of specific amplification products usually based on size (i.e. number of base pairs) by agarose gel electrophoresis is used to confirm the presence of the target animal's DNA on the cytochrome B gene. The presence of the DNA can be used to infer the presence within the product of fibre from the target animal.

The amplified DNA products from the test sample and positive and negative control DNA samples were resolved by agarose gel electrophoresis.

1.3 Results

1.3.1 Detection of Goat fibre DNA

An amplification product specific for goat DNA was found in the standard 100% goat fibre sample confirming the validity of the test protocol.

Goat DNA amplification products were found in the sample Debbie Bliss cashmerino dk, Colour: 18013 (Cream)

Negative control samples, as expected, gave no goat DNA amplification products.



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CONFIDENTIAL TEST REPORT

Our Ref : 20161b/NK
Your Ref : -

Page 3 of 3
17th August 2006

Designer yarns

1.2 Conclusion

According to the test, goat fibre was found to be present in the sample Debbie Bliss cashmerino dk,
Colour: 18013 (Cream).

Reported by: *N Khan*

Mrs Nibela Khan
Senior Technical Officer

Countersigned by: *Virginia H. Wilson*

Dr V H Wilson
Operational Head

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EXHIBIT C

FILATURA PETTINATA V. V. G.

di Stefano Vaccari & C. s.a.s.
13871 BENNA (Biella) - Via Gianasso, 11

DATA 28/08/06

☎ (015) 5821112 - Fax (015) 5521475
N° Meccan. BI 000041
P. IVA IT 00169310026
C.F. 00169310026
C.C.I.A.A. VerCELLI 99620
Iscriz. Trib. Biella n. 5082

STATEMENT

Filatura V.V.G. has produced yarns similar to Debbie Bliss Cashmerinos for some 15 years and has exclusively produced the Cashmerino range itself for some 5 years.

During this time Filatura V.V.G. has employed a number of sophisticated techniques to ensure the integrity of the blend at all stages of production.

We can confirm that the correct amount of cashmere fibre has gone into every batch of Cashmerino yarn ever produced by Filatura V.V.G.

Biella, li 28/08/2006

FILATURA V. V. G.
di STEFANO VACCARI & C. S.A.S.
VIA GIANASSO, 11 - 13030 BENNA (BI)
tel. 015/5821112 / Fax 015/5521475
C.F. e P.IVA 00169310026

Studio
DOTT. LUCIANO FOGLIO BONDA
Commerzialista
13900 BIELLA (BI)
Piazza Vittorio Veneto, 12
Codice Fiscale FGL LCN 33A14 A8590
Partita I.V.A. 00080380026

Io sottoscritto Dott. Luciano Foglio Bonda, confermo la veridicità di quanto dichiarato dal mio assistito.

In fede.

Biella, li 01.09.2006



EXHIBIT D



CONSIGLIO NAZIONALE DELLE RICERCHE

**Istituto per lo Studio delle Macromolecole**

BIELLA

I - 13900 BIELLA - Corso G. Pella 16 - Tel. 39 - 015 - 8493043 - Fax 39 - 015 - 8408387
Codice Fiscale 80054330586 - Partita IVA 02118311006**RAPPORTO DI PROVA N° 977 del 05/09/2006**

Prodotto : N° 1 top

Riferimento : Vs. del 26/07/2006 perv. il 26/07/2006

Esame richiesto : Analisi composizione

Prot. N : 1096/995

Spett.le Ditta

FILATURA PETTINATA V.V.G. S.A.S.

VIA GIANASSO, 11

13871 BENNA (VC)


Pagina 1 di 2

• ANALISI QUANTITATIVA FIBRE TESSILI IN MISTAIDENTIFICAZIONE CAMPIONE
N° 1 TOP GREGGIO ARTICOLO CASHMÉRINONORMA UTILIZZATA
Legge n° 883 26.11.1973 e successive modificheRISULTATI
Il campione esaminato risulta composto da:

- Acrilico % : 32,7

NOTE

Data fine prova: 04/09/2006

ISMAC - CNR - ISMAC	
Tit. VII.4	Cl. ATTIVITA' PEF: Rapp. di prova
N. 0001280	06/09/2006
	

• ANALISI QUANTITATIVA PELI ANIMALI (SEM)IDENTIFICAZIONE CAMPIONE
Come sopraAPPARECCHIATURA UTILIZZATA
Microscopio elettronico a scansioneNORMA UTILIZZATA
I.W.T.O. TM-58-00

PARAMETRI DI LAVORO

Procedura di campionamento : sezione trasversale mediante microtomo IWTO 8-89 (ISO 137).

Numero di sottocampioni esaminati : 7

Numero di fibre identificate e contate complessivamente : 1050

Numero di diametri misurati per ogni componente : 120

N.B. I risultati indicati sul RAPPORTO DI PROVA si riferiscono esclusivamente ai campioni sottoposti a prova. Se si intende ritirare il residuo dei campioni dopo le prove, si prega indicarlo nella lettera di richiesta di analisi. I campioni verranno conservati per un mese dall'emissione del RAPPORTO DI PROVA; trascorso questo tempo, o dopo il ritiro del residuo, non verranno prese in considerazione eventuali contestazioni sui risultati.

Il presente RAPPORTO DI PROVA è redatto in conformità alle norme europee EN SERIE 45000.
E' vietata la riproduzione parziale salvo approvazione scritta dell'Istituto.



CONSIGLIO NAZIONALE DELLE RICERCHE


Istituto per lo Studio delle Macromolecole
BIELLA

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 Codice Fiscale 80054330586 - Partita IVA 02118311006

RAPPORTO DI PROVA N° 977 del 05/09/2006

Prodotto : N° I top

Riferimento : Vs. del 26/07/2006 perv. il 26/07/2006

Esame richiesto : Analisi composizione

Prot. N : 1096/995

Spett.le Ditta

FILATURA PETTINATA V.V.G. S.A.S.

VIA GIANASSO, 11

13871 BENNA (VC)

Pagina 2 di 2

RISULTATI**COMPOSIZIONE RELATIVA ALLA PARTE PELI ANIMALI**

Lana	-	numero di fibre identificate e contate:	821
		diametro medio nel vuoto:	18,5µm
		deviazione standard:	3,7µm
Pelo animale (*)	-	numero di fibre identificate e contate:	229
		diametro medio nel vuoto:	18,2µm
		deviazione standard:	5,5µm

Lana % in peso: 78

Pelo animale (*) % in peso: 22

L'intervallo di fiducia (probabilità bilaterale del 95%) relativo alla composizione percentuale delle fibre animali sopra riportata è ± 3 %.

COMPOSIZIONE COMPLESSIVA

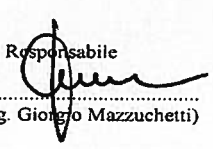
Lana	% in peso :	52,5
Pelo animale (*)	% in peso :	14,8
Acrilico	% in peso :	32,7

 (*) Pelo animale avente le caratteristiche morfologiche del:
 kashmir (denominazione legge 26-11-1973 N° 883 e succ. mod.).
NOTE

Restituito residuo.

Data fine prova: 04/09/2006

Il Responsabile


 (Dr. Ing. Giorgio Mazzuchetti)

N.B. I risultati indicati sul RAPPORTO DI PROVA si riferiscono esclusivamente ai campioni sottoposti a prova. Se si intende ritirare il residuo dei campioni dopo le prove, si prega indicarlo nella lettera di richiesta di analisi. I campioni verranno conservati per un mese dall'emissione del RAPPORTO DI PROVA; trascorso questo tempo, o dopo il ritiro del residuo, non verranno prese in considerazione eventuali contestazioni sui risultati.

Il presente RAPPORTO DI PROVA è redatto in conformità alle norme europee EN SERIE 45000. E' vietata la riproduzione parziale salvo approvazione scritta dell'Istituto.

EXHIBIT E

SGS Ref. No.: WTS 32760/1

Client's Ref.: KATHMANDU A

TEST REPORT

Date: 01 July 2010

Test Methods: see below

Page 1/1

CLIENT'S DESCRIPTION

85% WOOL/10% SILK/5% CASHMERE YARN
 COLOR: RED
 COUNTRY OF ORIGIN: ITALY; COUNTRY OF DESTINATION: USA

Client name: DESIGNER YARNS
Address: UNIT 8-10 NEWBRIDGE INDUSTRIAL ESTATE, PITT STREET, WEST
 YORKSHIRE, KEIGHLEY, BD21 4PQ, UNITED KINGDOM

In pursuance of an order received from client mentioned above, SGS were requested to carry out a quantitative fibre analysis of the sample which was declared as description above.

TEST RESULTS

Quantitative analysis of animal fibres by Microscopy
- Cashmere, wool, speciality fibres and their blends (ISO 17751:2007)

The animal fibre content was determined using projection microscopy in accordance with ISO 17751. Any non-animal fibre content was determined chemically in accordance with 73/44/EEC and 96/73/EC, as amended by 2006/2/EC. Results are expressed as % by Weight.

Fibre	Result (%)
Wool	84.5
Silk	13.3
Cashmere *	2.2

Total Number of Animal Fibres measured and/or Counted: 1234

*Cashmere are fibres that have the characteristics of cashmere fibre, with Mean Fibre Diameter not greater than 19µm, Coefficient of Variation not greater than 24% and Coarse hair content not greater than 3% (by weight) as defined by CCMI.

The present report reflects our findings on the sample(s) received and analysed only and this within the limits of Client's instructions, if any.

SGS Cashmere Labs
For SGS United Kingdom Ltd

SGS Ref. No.: WTS 32761/1

Client's Ref.: KATHMANDU C

TEST REPORT

Date: '01 July 2010

Test Methods: see below

Page 1/1

CLIENT'S DESCRIPTION

85% WOOL/10% SILK/5% CASHMERE YARN
 COLOR: PURPLE
 COUNTRY OF ORIGIN: ITALY; COUNTRY OF DESTINATION: USA

Client name: DESIGNER YARNS
Address: UNIT 8-10 NEWBRIDGE INDUSTRIAL ESTATE, PITT STREET, WEST
 YORKSHIRE, KEIGHLEY, BD21 4PQ, UNITED KINGDOM

In pursuance of an order received from client mentioned above, SGS were requested to carry out a quantitative fibre analysis of the sample which was declared as description above.

TEST RESULTS

Quantitative analysis of animal fibres by Microscopy
- Cashmere, wool, speciality fibres and their blends (ISO 17751:2007)

The animal fibre content was determined using projection microscopy in accordance with ISO 17751. Any non-animal fibre content was determined chemically in accordance with 73/44/EEC and 96/73/EC, as amended by 2006/2/EC. Results are expressed as % by Weight.

Fibre	Result (%)
Wool	85.5
Silk	12.9
Cashmere *	1.6

Total Number of Animal Fibres measured and/or Counted: 1146

*Cashmere are fibres that have the characteristics of cashmere fibre, with Mean Fibre Diameter not greater than 19µm, Coefficient of Variation not greater than 24% and Coarse hair content not greater than 3% (by weight) as defined by CCMI.

The present report reflects our findings on the sample(s) received and analysed only and this within the limits of Client's instructions, if any.

SGS Cashmere Labs
 For SGS United Kingdom Ltd

SGS Ref. No.: WTS 32762/1

Client's Ref.: 21 LH BABY

TEST REPORT

Date: 01 July 2010

Test Methods: see below

Page 1/1

CLIENT'S DESCRIPTION

55% WOOL/35% ACRYLIC/10% CASHMERE YARN

COLOR: BLUE

COUNTRY OF ORIGIN: ITALY; COUNTRY OF DESTINATION: USA

Client name: DESIGNER YARNS**Address:** UNIT 8-10 NEWBRIDGE INDUSTRIAL ESTATE, PITT STREET, WEST YORKSHIRE, KEIGHLEY, BD21 4PQ, UNITED KINGDOM

In pursuance of an order received from client mentioned above, SGS were requested to carry out a quantitative fibre analysis of the sample which was declared as description above.

TEST RESULTS**Quantitative analysis of animal fibres by Microscopy****- Cashmere, wool, speciality fibres and their blends (ISO 17751:2007)**

The animal fibre content was determined using projection microscopy in accordance with ISO 17751.

Any non-animal fibre content was determined chemically in accordance with 73/44/EEC and 96/73/EC, as amended by 2006/2/EC. Results are expressed as % by Weight.

Fibre	Result (%)
Wool	59.5
Acrylic	34.9
Cashmere *	5.6

Total Number of Animal Fibres measured and/or Counted: 1052

*Cashmere are fibres that have the characteristics of cashmere fibre, with Mean Fibre Diameter not greater than 19µm, Coefficient of Variation not greater than 24% and Coarse hair content not greater than 3% (by weight) as defined by CCMI.

The present report reflects our findings on the sample(s) received and analysed only and this within the limits of Client's instructions, if any.

**SGS Cashmere Labs
For SGS United Kingdom Ltd**

SGS Ref. No.: WTS 32763/1

Client's Ref.: 32 LH DK

TEST REPORT

Date: 01 July 2010

Test Methods: see below

Page 1/1

CLIENT'S DESCRIPTION

55% WOOL/35% ACRYLIC/10% CASHMERE YARN
COLOR: PINK
COUNTRY OF ORIGIN: ITALY; COUNTRY OF DESTINATION: USA

Client name: DESIGNER YARNS
Address: UNIT 8-10 NEWBRIDGE INDUSTRIAL ESTATE, PITT STREET, WEST
YORKSHIRE, KEIGHLEY, BD21 4PQ, UNITED KINGDOM

In pursuance of an order received from client mentioned above, SGS were requested to carry out a quantitative fibre analysis of the sample which was declared as description above.

TEST RESULTS

Quantitative analysis of animal fibres by Microscopy
- Cashmere, wool, speciality fibres and their blends (ISO 17751:2007)

The animal fibre content was determined using projection microscopy in accordance with ISO 17751. Any non-animal fibre content was determined chemically in accordance with 73/44/EEC and 96/73/EC, as amended by 2006/2/EC. Results are expressed as % by Weight.

Fibre	Result (%)
Wool	57.2
Acrylic	34.9
Cashmere *	7.9

Total Number of Animal Fibres measured and/or Counted: 1014

*Cashmere are fibres that have the characteristics of cashmere fibre, with Mean Fibre Diameter not greater than 19µm, Coefficient of Variation not greater than 24% and Coarse hair content not greater than 3% (by weight) as defined by CCMI.

The present report reflects our findings on the sample(s) received and analysed only and this within the limits of Client's instructions, if any.

SGS Cashmere Labs
For SGS United Kingdom Ltd

SGS Ref. No.: WTS 32764/1

Client's Ref.: 32 LH ARAN

TEST REPORT

Date: 01 July 2010

Test Methods: see below

Page 1/1

CLIENT'S DESCRIPTION

55% WOOL/35% ACRYLIC/10% CASHMERE YARN
 COLOR: GREEN
 COUNTRY OF ORIGIN: ITALY; COUNTRY OF DESTINATION: USA

Client name: DESIGNER YARNS
Address: UNIT 8-10 NEWBRIDGE INDUSTRIAL ESTATE, PITT STREET, WEST YORKSHIRE, KEIGHLEY, BD21 4PQ, UNITED KINGDOM

In pursuance of an order received from client mentioned above, SGS were requested to carry out a quantitative fibre analysis of the sample which was declared as description above.

TEST RESULTS

Quantitative analysis of animal fibres by Microscopy
 - Cashmere, wool, speciality fibres and their blends (ISO 17751:2007)

The animal fibre content was determined using projection microscopy in accordance with ISO 17751. Any non-animal fibre content was determined chemically in accordance with 73/44/EEC and 96/73/EC, as amended by 2006/2/EC. Results are expressed as % by Weight.

Fibre	Result (%)
Wool	60.2
Acrylic	34.3
Cashmere *	5.5

Total Number of Animal Fibres measured and/or Counted: 1026

*Cashmere are fibres that have the characteristics of cashmere fibre, with Mean Fibre Diameter not greater than 19µm, Coefficient of Variation not greater than 24% and Coarse hair content not greater than 3% (by weight) as defined by CCMI.

The present report reflects our findings on the sample(s) received and analysed only and this within the limits of Client's instructions, if any.

SGS Cashmere Labs
For SGS United Kingdom Ltd