SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q
Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarterly Period
Ended August 3, 2002 Commission File Number 0-15898

CASUAL MALE RETAIL GROUP, INC.
(Exact name of registrant as
specified in its charter)

Delaware	04-2623104
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
555 Turnpike Street, Canton, MA	02021
(Address of principal executive offices)	(Zip Code)

(781) 828-9300
(Registrant's telephone
number, including area code)

Indicate by "X" whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

The number of shares of common stock outstanding as of September 16, 2002 was 34,115,807.

CASUAL MALE RETAIL GROUP, INC.
CONSOLIDATED BALANCE SHEETS
August 3, 2002 and February 2, 2002
(In thousands, except share data)

ASSETS	August 3, 2002 (unaudited)	February 2, 2002
Current assets:		
Cash and cash equivalents	$ 3,420	$ -
Accounts receivable	6,157	491
Inventories	135,009	57,734
Deferred income taxes	652	652
Prepaid expenses	7,496	2,887
Total current assets	152,734	61,764
Property and equipment, net of accumulated depreciation and amortization	73,074	20,912
Other assets:		
Deferred income taxes	7,232	7,326
Intangible assets	66,674	-

Other assets	11,690	899
Total assets	$ 311,404	$ 90,901
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 839	$ -
Accounts payable	45,265	7,074
Accrued expenses and other current liabilities	22,744	11,120
Restructuring reserve	500	-
Accrued rent	2,280	2,541
Notes payable	70,121	27,752
Total current liabilities	141,749	48,487
Long-term debt, net of current portion	52,369	-
Total liabilities	194,118	48,487
Stockholders' equity:		
Preferred Stock, $0.01 par value, 1,000,000 shares authorized, 180,162 shares of Series B Convertible Preferred Stock issued and outstanding at August 3, 2002	2	-
Common Stock, $0.01 par value, 50,000,000 shares authorized, 19,455,000 and 17,608,000 shares issued at August 3, 2002 and February 2, 2002, respectively	195	176
Additional paid-in capital	145,753	56,189
Accumulated deficit	(20,017)	(5,304)
Treasury stock at cost, 3,040,000 shares at August 3, 2002 and February 2, 2002, respectively	(8,450)	(8,450)
Loan to executive	(197)	(197)
Total stockholders' equity	117,286	42,414
Total liabilities and stockholders' equity	$ 311,404	$ 90,901

The accompanying notes are an integral part of the consolidated financial statements.

CASUAL MALE RETAIL GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three months ended		Six Months Ended	
	August 3, 2002	August 4, 2001	August 3, 2002	August 4, 2001
Sales	$ 115,691	$ 47,698	$ 152,132	$ 87,093
Cost of goods sold including occupancy	79,824	34,683	108,272	64,673
Gross profit	35,867	13,015	43,860	22,420
Expenses:				
Selling, general and administrative	34,060	10,065	43,137	19,771
Provision for restructuring, store closings and impairment of assets	7,985	-	7,985	-
Depreciation and amortization	2,978	1,418	4,389	2,814
Total expenses	45,023	11,483	55,511	22,585
Operating (loss) income	(9,156)	1,532	(11,651)	(165)
Interest expense, net	2,706	534	3,059	1,081
(Loss) income before income taxes	(11,862)	998	(14,710)	(1,246)
Provision for income taxes	1,053	283	-	591
Net (loss) income	$ (12,915)	$ 715	$ (14,710)	$ (655)
(Loss) earnings per share- Basic and Diluted	$ (0.80)	$ 0.05	$ (0.95)	$ (0.05)
Weighted average number of common shares outstanding				
Basic	16,050	14,477	15,421	14,468
Diluted	16,050	15,524	15,421	14,468

The accompanying notes are an integral part of the consolidated financial statements.

CASUAL MALE RETAIL GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended	
	August 3, 2002	August 4, 2001
Cash flows from operating activities:		
Net loss	$ (14,710)	$ (655)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	4,389	2,814
Restructuring, store closings and impairment	11,048	(454)

Issuance of common stock and options	34	150
(Loss) gain on sale or disposal of fixed assets	34	(21)
Changes in operating assets and liabilities:		
Accounts receivable	(4,193)	(881)
Inventories	(7,634)	(11,987)
Prepaid expenses	(767)	227
Other assets	(2,073)	(74)
Income taxes	94	47
Accounts payable	9,518	3,282
Accrued expenses and other current liabilities	(1,064)	2,788
Accrued rent	(261)	61
Net cash used for operating activities	(5,585)	(4,703)
Cash flows from investing activities:		
Additions to property and equipment	(3,155)	(1,985)
Proceeds from disposal of property and equipment	-	19
Acquisition of Casual Male, net of cash acquired	(160,814)	-
Net cash used for investing activities	(163,969)	(1,966)
Cash flows from financing activities:		
Net borrowings under credit facility	42,369	6,655
Issuance of common stock under option program	119	14
Proceeds from the issuance of long term debt	41,057	-
Proceeds from the issuance of Series B Preferred Stock	76,569	-
Proceeds from the issuance of common stock	5,862	-
Proceeds from the issuance of warrants	9,589	-
Payment of equity transaction costs	(2,591)	-
Net cash provided by financing activities	172,974	6,669
Net change in cash and cash equivalents	3,420	-
Cash and cash equivalents:		
Beginning of the year	-	-
End of the period	$ 3,420	$ -

The accompanying notes are an integral part of the consolidated financial statements.

CASUAL MALE RETAIL GROUP, INC,
Notes to Consolidated Financial Statements

1. Basis of Presentation

In the opinion of management of Casual Male Retail Group, Inc., a Delaware corporation formerly known as Designs, Inc. (the "Company"), the accompanying unaudited consolidated financial statements contain all adjustments necessary for a fair presentation of the interim financial statements. These financial statements do not include all disclosures associated with annual financial statements and, accordingly, should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended February 2, 2002 (included in the Company's Annual Report on Form 10-K, as amended, filed with the Securities and Exchange Commission).

The interim financial statements for the three and six months ended August 3, 2002 contain the results of operations since May 14, 2002, of the Company's acquisition of substantially all of the assets of Casual Male Corp. and certain of its subsidiaries ("Casual Male"). For a complete description of the acquisition, see Note 2 below.

The information set forth in these statements may be subject to normal year-end adjustments. The information reflects all adjustments that, in the opinion of management, are necessary to present fairly the Company's results of operations, financial position and cash flows for the periods indicated. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's business historically has been seasonal in nature and the results of the interim periods presented are not necessarily indicative of the results to be expected for the full year.

2. Acquisition

On May 14, 2002, pursuant to an asset purchase agreement entered into as of May 2, 2002, the Company completed the acquisition 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. The U.S. Bankruptcy Court for the Southern District of New York subsequently granted its approval of the acquisition.

Casual Male, which was a leading independent specialty retailer of fashion, casual and dress apparel for big and tall men, had annual sales that exceeded $350 million. Casual Male sold 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.

Under the terms of the asset purchase agreement, the Company acquired substantially all of Casual Male's assets including, but not limited to, the inventory and fixed assets of approximately 475 retail store locations and various intellectual property. In addition, the Company assumed certain operating liabilities including, but not limited to, existing retail store lease arrangements and the existing mortgage for Casual Male's corporate headquarters, which are located in Canton, Massachusetts.

Allocation of purchase price:

	Debit(Credit) (in thousands)
Cash and cash equivalents	$ 190
Accounts receivable	1,473
Merchandise inventory	72,705
Prepaid expenses	3,842
Property and equipment	60,569
Other assets	9,062
Goodwill	30,074
Casual Male trademark	35,000
Customer lists	1,600
Accounts payable	(28,673)
Accrued expenses and other current liabilities	(1,656)
Accrual for estimated transaction and severance costs	(11,029)
Mortgage note	(12,151)
Total cash paid for assets acquired and liabilities assumed	$ 161,004

The Casual Male acquisition, along with the payment of certain related fees and expenses, was completed with funds provided by: (i) approximately $30.2 million in additional borrowings from the Company's amended three-year $120.0 million senior secured credit facility with the Company's bank, Fleet Retail Finance, Inc. ("FRFI"), (ii) $15.0 million from a three-year term loan with a subsidiary of FRFI, (iii) proceeds from the private placement of $24.5 million principal amount of 12% senior subordinated notes due 2007 together with detachable warrants to acquire 1,715,000 shares of the Company's Common Stock, par value $.01 per share ("Common Stock"), at an exercise price of $.01 per share, and additional detachable warrants to acquire 1,176,471 shares of Common Stock at an exercise price of $8.50 per share, (iv) proceeds from the private placement of $11.0 million principal amount of 5% senior subordinated notes due 2007, (v) approximately $82.5 million of proceeds from the private placement of approximately 1.4 million shares of Common Stock and 180,162 shares of newly designated Series B Convertible Preferred Stock, par value $0.01 per share ("Series B Preferred Stock")(which were automatically converted on August 8, 2002, subsequent to the end of the second quarter of fiscal 2003, into 18,016,200 shares of Common Stock), and (vi) the assumption of a mortgage note in the principal amount of approximately $12.2 million.

Below are the pro forma results for the three and six months ended August 3, 2002 and August 4, 2001, assuming that the acquisition had occurred February 3, 2002 and February 1, 2001, respectively. The results for the three and six months ended August 3, 2002 include the $11.0 restructuring charge recorded by the Company related to the downsizing of its Levi's(r) and Dockers(r) businesses:

For the three months ended:

(in thousands)	Casual Male 8/3/02	Casual Male 8/4/01(1)	Designs 8/3/02(2)	Designs 8/4/01	Total Consolidated 8/3/02	Total Consolidated 8/4/01
Sales	$ 82,390	$ 79,146	$ 42,270	$ 47,698	$124,660	$ 126,844
Gross Margin	35,235	33,536	5,320	13,015	40,555	46,551
Selling, general and administrative	28,041	28,637	10,049	10,065	38,090	38,702
Depreciation and Amortization	1,831	1,429	1,387	1,418	3,218	2,847
Interest Expense	2,438	3,615	514	534	2,952	4,149
Pre-tax income(loss)	$2,924	$(146)	$(14,615)	$ 998	$(11,691)	$ 853

For the six months ended:

(in thousands)	Casual Male 8/3/02	Casual Male 8/4/01(1)	Designs 8/3/02(2)	Designs 8/4/01	Total Consolidated 8/3/02	Total Consolidated 8/4/01
Sales	$160,761	$159,446	$ 78,711	$ 87,093	$239,472	$246,539
Gross Margin	68,397	64,895	13,313	22,420	81,710	87,315
Selling, general and administrative	56,230	54,641	27,111	19,771	83,341	74,412
Depreciation and Amortization	3,531	3,406	2,798	2,814	6,329	6,220
Interest Expense	5,142	6,911	867	1,081	6,009	7,992
Pre-tax income(loss)	$3,493	$(63)	$(17,463)	$(1,246)	$(13,970)	$(1,309)

(1) Adjusted to eliminate the results of operations for closed store locations, which were not purchased by the Company.
(2) Includes the impact of restructuring charges totaling $11.0 million related to the downsizing of the Levi's(r)/Dockers(r) business.

The pro forma results have been prepared based on available information, using assumptions that the Company's management believes are reasonable. The results do not purport to represent the actual financial position or results of operations that would have occurred if the acquisition had occurred on the dates specified. The results above are not necessarily indicative of the results that may be achieved in the future. These results also do not reflect any adjustments for the effect of certain operating synergies or expected cost reductions that the Company may realize as a result of the acquisition. No assurances can be given that the amount of financial benefits, if any, may actually be realized as the result of the acquisition. The Company has started to implement several cost reduction and synergy initiatives which are not reflected in these pro forma results, which the Company expects will ultimately result in savings in the range of $20 million to $25 million on an annualized basis. Since the acquisition in May 2002, almost half of the total expected savings were realized and will begin to be reflected in the Company's operating results during the second half of the fiscal year.

3. Debt

Revolver

The Company has a credit facility with Fleet Retail Finance Inc., which was most recently amended on May 4, 2002 in connection with the financing for the Casual Male acquisition (the "Amended Credit Agreement"). The Amended Credit Agreement, which expires May 14, 2005, principally provides for a total commitment of $120 million with the ability for the Company to issue documentary and standby letters of credit of up to $20 million. The Company's ability to borrow under the facility is determined using an availability formula based on eligible assets. The Company's obligations under the Amended Credit Agreement continue to be secured by a lien on all of its assets. The Amended Credit Agreement continues to include certain covenants and events of default customary for credit facilities of this nature, including change of control provisions and limitations on payment of dividends by the Company.

At August 3, 2002, the Company had outstanding borrowings of approximately $70.1 million under this credit facility. Outstanding standby letters of credit were $1.4 million and outstanding documentary letters of credit were $1.4 million at August 3, 2002. Average borrowings outstanding under this facility during the first six months of fiscal 2003 were approximately $46.7 million, resulting in an average unused excess availability of approximately $12.2 million during the first six months of fiscal 2003. At August 3, 2002, the unused availability was $17.6 million. The Company was in compliance with all debt covenants under the Amended Credit Agreement at August 3, 2002.

Long-Term Debt
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Components of Long-term debt are as follows:
(in thousands)

Term Loan	$ 15,000
12% senior subordinated notes due 2007	15,189
5% senior subordinated notes due 2007	11,000
Mortgage note	12,019
Total long-term debt	53,208
Less: current portion of mortgage note	(839)
Long-term debt, less current portion	$ 52,369

On May 14, 2002, the Company entered into a three year Term Loan with Back Bay Capital, a subsidiary of Fleet Retail Finance, Inc. Interest on the term loan includes a 12% coupon, 3% paid-in-kind and a 3% annual commitment fee, for a total annual yield of 18%.

In April and May 2002, the Company also issued $24.5 million principal amount of 12% senior subordinated notes through private placements. The principal amount of $15.2 million is net of the assigned value of unamortized warrants to acquire 1,715,000 shares of common stock at an exercise price of $0.01 per share and additional detachable warrants to acquire 1,176,471 shares of common stock at an exercise price of $8.50 per share. The total assigned value of the warrants of approximately $9.6 million, which has been reclassified to equity, is being amortized over the five-year life of the notes as interest expense.

In addition, the Company also issued $11.0 million principal amount of 5% senior subordinated notes through a private placement with the Kellwood Company, with whom the Company has entered into a product sourcing agreement. Beginning at the end of the second quarter of fiscal 2004, the Company will make principal payments in the amount of $625,000 per quarter through the remaining term of the notes.

In connection with the Casual Male acquisition, the Company also assumed an outstanding mortgage note for real estate and buildings located in Canton, Massachusetts. The mortgage note, which bears interest at 9%, has an outstanding principal balance of $12.0 million at August 3, 2002.

4. Equity

Series B Preferred Stock Conversion and Issuance of Warrants
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In connection with the Casual Male acquisition, the Company issued 180,162 shares of its Series B Convertible Preferred Stock through private placements. On August 8, 2002, subsequent to the end of the second quarter, all 180,162 shares of the Series B Convertible Preferred Stock were automatically converted, upon shareholder approval, to 18,016,200 shares of the Company's Common Stock. No value was assigned to this conversion feature since the price paid on that date for one share of preferred stock was the same price as the price at which 100 shares of Common Stock could be purchased on the date of the transaction.

Warrants to purchase common stock of the Company were also issued in connection with the acquisition. As part of the private placement of the Company's 12% senior subordinated notes, the Company issued warrants to purchase 1,715,000 shares of Common Stock at an exercise price of $0.01 per share and additional warrants to purchase 1,176,471 shares of Common Stock at an exercise price of $8.50 per share. The Company has assigned a value, based on the Black Scholes model, of $9.6 million for these warrants. The value of the warrants has been reflected as a component stockholders' equity and is being amortized over the term of the corresponding debt, which is five years. Also, as part of the equity financing, the Company issued to its investment advisor warrants to purchase 500,000 shares of Common Stock at an exercise price of $4.25 per share. The total assigned value of these warrants of $1.2 million have been reflected as a cost of equity at August 3, 2002. Subsequent to the end of the second quarter of fiscal 2002, all warrants became immediately exercisable, subject to applicable notice requirement.

Earnings Per Share
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Statement of Financial Accounting Standards No. 128, "Earnings Per Share," requires the computation of basic and diluted earnings per share. Basic earnings per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the respective period. Diluted earnings per share is determined by giving effect to the exercise of stock options and certain warrants using the treasury stock method. In addition, for the three and six months ended August 3, 2002 the Company also gave effect to the prospective convertibility of its Series B Convertible Preferred Stock, which is discussed more fully above. The following table provides a reconciliation of the number of shares outstanding for basic and diluted earnings per share.

For the: (In thousands)	Three months ended 8/3/02	Three months ended 8/4/01	Six months ended 8/3/02	Six months ended 8/4/01
Basic weighted average common shares outstanding	16,050	14,477	15,421	14,468
Stock options, excluding the effect of anti-dilutive options and warrants totaling 1,839 shares for the three months ended August 3, 2002 and 1,267 and 852 shares for the six months ended August 3, 2002 and August 4, 2001, respectively	--	1,047	--	--
Shares of Series B Convertible Preferred Stock of 13,512 shares and 7,721 shares were Excluded for the three and six months ended August 3, 2002, respectively, because the effect was anti-dilutive	--	--	--	--
Diluted weighted average common shares outstanding	16,050	15,524	15,421	14,468

The following potential common stock equivalents were excluded from the computation of diluted earnings per share, in each case, because the exercise price of such options and warrants was greater than the average market price per share of Common Stock for the periods reported:

(in thousands)	Three months ended 8/3/02	Three months ended 8/4/01	Six months ended 8/3/02	Six months ended 8/4/01
Stock Options	118	151	118	151
Warrants	1,176	-	1,176	-

5. Restructuring, Store Closing and Impairment of Assets

During the second quarter of fiscal 2003, the Company recorded charges totaling $11.0 million related to the Company's restructuring of its Levi's(r)/Dockers(r) business and the integration of the Casual Male operations. Of the total $11.0 million in restructuring charges, $4.5 million relates to the impairment of assets of between 34 and 40 Levi's(r) and Dockers(r) stores that the Company intends to close over the next several years and $3.0 million relates to inventory losses. The $3.0 million provision for inventory is included in gross margin on the statement of operations for the three and six months ended August 3, 2002. In addition, the charge includes $3.5 million related to the integration plan to combine the operations of Casual Male with that of the Company, which includes relocating the Company's distribution facility and corporate offices to Canton, Massachusetts.

Of the total charge of $11.0 million, the total non-cash costs represent approximately $7.5 million of the charge, with the remaining consisting of the cash costs for integration expense and the inventory costs of liquidating stores. Of the total $11.0 million charge, $7.5 million, which was related to impairment of assets for store closings and the write-off of certain other assets in connection with the relocating of the Company's headquarters and distribution facility was reflected as a reduction in Property, Plant and Equipment, and $3.5 million was recorded as a write-down of inventory on the Consolidated Balance Sheet at August 3, 2002. The remaining $0.5 million of the charge was reflected in accrued expenses at August 3, 2002.

6. Income Taxes

During the second quarter of fiscal 2003, the Company experienced a continuing sales decreases in its Levi's(r)/Dockers(r) business as a result of the deterioration of the Levi's(r) brand. As the result of the Company recording the above restructuring charges and the anticipated impact of the charges on the Company's full year results, the Company reversed the income tax benefit it previously recorded in the first quarter of fiscal 2003, such that no income tax benefit has been recognized for the six months ended August 3, 2002.

Realization of the Company's deferred tax assets, which relate principally to federal net operating loss carryforwards, which expire from 2017 through 2022, is dependent on generating sufficient taxable income in the following three years of the carryforward period. At August 3, 2002, the Company evaluated the realizability of its existing deferred tax assets, net of a previously established valuation allowance, and concluded that no additional increase in the valuation allowance was necessary at August 3, 2002.

Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

SUMMARY OF SIGNIFICANT SECOND QUARTER EVENTS

Acquisition

On May 14, 2002 the Company completed the acquisition of substantially all of the assets of Casual Male Corp. and certain subsidiaries ("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 at a bankruptcy court ordered auction commencing on May 1, 2002 and concluding on May 2, 2002. The U.S. Bankruptcy Court for the Southern District of New York subsequently granted its approval of the acquisition of Casual Male on May 7, 2002.

Casual Male was a leading independent specialty retailer of fashion, casual and dress apparel for big and tall men, with annual sales that exceeded $350 million. Casual Male sold 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.

Under the terms of the asset purchase agreement, the Company acquired substantially all of Casual Male's assets including, but not limited to, the inventory and fixed assets of approximately 475 retail store locations and various intellectual property. In addition, the Company will also assume certain operating liabilities including, but not limited to, existing retail store lease arrangements and the existing mortgage for Casual Male's corporate office, which is located in Canton, Massachusetts.

Corporate Name Change

In view of the significance of the Casual Male acquisition to the growth and future identity of the Company, at the Company's Annual Meeting of Stockholders which was held on August 8, 2002, the stockholders approved the Board of Directors' recommendation to change the Company's name to "Casual Male Retail Group, Inc." The Company believes that the Casual Male division will be a significant future contributor to the Company's overall business and that this name change was an important step to align the customer and investor identification of the Company with the Casual Male store concept.

Planned Divestiture

On August 12, 2002, the Company announced its intention, subject to market and other conditions, to conduct a rights offering resulting in a divesture of its loss prevention services subsidiary, referred to as LPI. The shares of LPI common stock are not presently registered under the Securities Act of 1933, as amended. In the rights offering, common stock of LPI is expected to be offered for purchase to stockholders of Casual Male Retail Group, Inc. LPI, which provides loss prevention services and system solutions primarily to the retail industry, is a subsidiary of the Company that was acquired as part of the Casual Male acquisition.

Restructuring, Store Closing and Impairment of Assets

During the second quarter of fiscal 2003, as a result of the continued erosion of the Levi Strauss & Co. brands in the marketplace and Levi Strauss & Co.'s inability to provide the Company with a balanced assortment of product for the Company's Levi's(r)/Dockers(r) outlet stores, the Company implemented an Aggressive plan to downsize its Levi's and Dockers business. As a result, the Company plans to close between 34 and 40 stores, combine 6 to 8 other stores and Reduce the square footage in another 20 to 25 stores. The Company expects to close between 15 and 20 of these Levi's(r)/Dockers(r) outlet stores over the next twelve to eighteen months, and has started negotiations with several landlords to terminate leases on the remaining underperforming stores.

As a result, in the second quarter of fiscal 2003, the Company recorded $11.0 million in restructuring charges. Of the total $11.0 million, $4.5 million relates to the impairment of assets for between 34 and 40 stores that the Company intends to close over the next several years and $3.0 million relates to inventory costs to close the initial 15 to 20 stores. In addition, the restructuring charge includes $3.5 million related to the integration plan to combine the operations of Casual Male with that of the Company, which includes relocating the Company's distribution facility and corporate offices to Canton, Massachusetts. Of the total charge of $11.0 million, the total non-cash costs represent approximately $7.5 million, with the remainder consisting of cash costs for integration expenses and the inventory costs of liquidating stores.

RESULTS OF OPERATIONS

The Company's results for the second quarter of fiscal 2003 include the results, since May 14, 2002, of the Company's acquisition of Casual Male.

Sales

Total sales for the second quarter of fiscal 2003, which ended August 3, 2002, were $115.7 million as compared to $47.7 million in the second quarter of fiscal 2002. The Casual Male stores, including the catalog sales, represented approximately $73.0 million, or 63% of the total sales for the second quarter of fiscal 2003. For the period from May 14, 2002 to August 3, 2002, the Casual Male business achieved a comparable store sales increase of approximately 4% when compared to the corresponding period in the prior year.

The Company's Levi's(r)/Dockers(r) business had a comparable store sales decrease of 15% for the second quarter of fiscal 2003. The Company is working closely with Levi Strauss & Co. on addressing the current product issues that the Company is experiencing and expects to see improvements beginning in the Spring of fiscal 2004. However, these actions are not yet implemented and the Company's Levi's(r) and Dockers(r) businesses are continuing to show Significant negative trends during the important Back to School selling season. As a result, the Company determined that it needed to downsize the Levi's(r)/Dockers(r) chain, as discussed in more detail above under "Restructuring and Store Closing". Once the Company's plan to downsize the Levi's(r)/Dockers(r) business is complete, the remaining Levi's(r)/Dockers(r) business will represent less than 20% of the combined sales of the Company.

Gross Profit Margin

The increase in gross margin for the three and six months ended August 3, 2002 as compared to the corresponding periods in the prior year is due to the higher merchandise margins generated in the Company's Casual Male business. The 3.7 percentage point increase in gross margin for the three months ended August 3, 2002 is due to an increase of 6.4 percentage points in merchandise margin partially offset by a 2.6 percentage point decrease related to inventory write-downs taken during the second quarter of fiscal 2003. The 6.4 percentage point increase in merchandise margin was comprised of a decrease of 4.8 percentage points in the Levi's(r)/Dockers(r) business offset by an 11.2 percentage point benefit from the Company's Casual Male business. Similarly, for the six months ended August 3, 2002, the 3.2 percentage point increase in gross margin was due to a 5.1 percentage point increase in merchandise margin partially offset by the impact of the inventory write-down of 2.0 percentage points. The 5.1 percentage point increase in margin was comprised of a 2.6 percentage point decrease in the Levi's(r)/Dockers(r) business offset by a 7.7 percentage point benefit from the Casual Male business.

The deterioration of the Levi's brands in the marketplace, coupled with Levi Strauss & Co.'s inability to provide an adequate balance of merchandise, has caused the Company to maintain an aggressive promotional posture in an effort to improve sales and liquidate inventory. This increase in promotional activity as compared to prior periods has had a negative impact on merchandise margins.

The Casual Male business has had a significant benefit to the Company's overall gross margin rates. Casual Male has a substantial portion of private label merchandise, which by its nature produces higher gross margins. In addition, due to the limited competition in the Big and Tall market, the Company's promotional rates trend lower than the men's apparel industry in general.

As mentioned, included in gross margin for the three and six months ended August 3, 2002 is $3.0 million in inventory reserves taken during the second quarter of fiscal 2003 in connection with the Company's plan to downsize its Levi's(r)/Dockers(r) business. The $3.0 million relates specifically to the liquidation of inventory in the stores that the Company will be closing over the next twelve to eighteen months.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses for the three months ended August 3, 2002 were 29.4% of sales as compared to 21.1% for the corresponding period in the prior year. For the six months ended August 3, 2002, SG&A expenses were 28.4 % as compared to 22.7% for the corresponding period in the prior year.

The increase in SG&A as a percent to sales for the three and six months ended August 3, 2002 is due principally to the addition of the Casual Male cost structure to the Company's existing low cost base. The Company has started to implement several cost reduction and synergy initiatives which the Company expects will ultimately result in savings in the range of $20 to $25 million on an annualized basis. Since the acquisition in May 2002, almost half of the total expected savings were realized and will begin to be reflected in the Company's operating results during the second half of the fiscal year.

Depreciation and Amortization

Depreciation and amortization expense for the three and six months ended August 3, 2002 increased over the prior year due to the addition of approximately $61.0 million in assets acquired in connection with the Casual Male acquisition.

Interest Expense, Net

Net interest expense was $2.7 million for the three months ended August 3, 2002 as compared to $534,000 for the corresponding period in the prior year. For the six months ended August 3, 2002, net interest expense was $3.1 million as compared to $1.1 million for the corresponding period in the prior year. The significant increase in interest expense for both the three and six months ended August 3, 2002 is due to the increased debt levels of the Company as a result of the acquisition of Casual Male. Approximately $90 million of new debt was issued in connection with the acquisition of Casual Male. The interest rate incurred on this additional debt averages approximately 8.3% on an annualized basis.

Income Taxes

During the second quarter of fiscal 2003, the Company experienced continuing sales decreases in its Levi's(r)/Dockers(r) business as a result of the deterioration of the Levi Strauss & Co.'s brands in the marketplace. As the result of the Company recording the above restructuring charges and the anticipated impact of the charges on the Company's full year results, the Company reversed the income tax benefit it previously recorded in the first quarter of fiscal 2003, such that no income tax benefit has been recognized for the six months ended August 3, 2002.

Realization of the Company's deferred tax assets, which relate principally to federal net operating loss carryforwards, which expire from 2017 through 2022, is dependent on generating sufficient taxable income in the following three years of the carryforward period. At August 3, 2002, the Company evaluated the realizability of its existing deferred tax assets, net of a previously established valuation allowance, and concluded that no additional increase in the valuation allowance was necessary at August 3, 2002.

Net Loss

For the three months ended August 3, 2002, the Company reported a net loss of $(12.9) million, which includes restructuring charges totaling $11.0 million. This loss compares to net income of $0.7 million for the three months ended August 4, 2001. For the six months ended August 3, 2002, the Company reported a net loss of $(14.7) million, of which $11.0 million related to the aforementioned restructuring charges, compared to net loss of $(0.7) million for the six months ended August 4, 2001. On an operating basis since the acquisition on May 14, 2002, the Casual Male business earned operating income of approximately $4.9 million during the second quarter of fiscal 2003 while the Levi's(r)/Dockers(r) business generated an operating loss of approximately $3.1 million for the second quarter of fiscal 2003.

SEASONALITY

Historically, the Company has experienced seasonal fluctuations in revenues and income with increases occurring during the Company's third and fourth quarters as a result of "Fall" and "Holiday" seasons.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary cash needs are for working capital, essentially inventory requirements, and capital expenditures. Specifically, the Company's capital expenditure program includes projects for new store openings, downsizing or combining existing stores, and improvements and integration of its systems infrastructures. For the remainder of fiscal 2003, the Company expects that much of the Company's capital requirements will be used for expansion of its Casual Male business as well as its Candies(R) and Ecko Unltd.(R) outlet stores.

As previously discussed, the Company's recent acquisition of Casual Male was funded through a combination of the issuance of new debt and equity. The Company anticipates that cash flow from operations and availability under the Company's amended $120 million credit facility with FRFI will be sufficient to meet all debt payments and operating needs of its business.

During the first six months of fiscal 2003, cash used for operations was $5.6 million as compared to cash used for operations of $4.7 million for the first six months of the prior year. Cash from operations as compared to the prior year decreased $882,000 as a result of the Company's operating loss for the three months ended August 3, 2002 as compared to the three months ended August 4, 2001.

At August 3, 2002, total inventory equaled $135.0 million, compared to $57.7 million at February 2, 2002. This increase in inventory is principally due to approximately $77.0 million in inventory acquired in the Casual Male acquisition.

Total cash outlays for capital expenditures, net of landlord allowances, for the first six months of fiscal 2003 were $3.2 million compared to $2.0 million during the first six months of fiscal 2002. During the first six months of fiscal 2003, the Company opened eleven new Candies(R) outlet stores, three of which were carve-outs from the Company's existing Levi's(R)/Dockers(R) outlet stores and three Ecko Unltd.(R) outlet stores.

The Company's expansion plans for the remainder of fiscal 2003 will focus on opening 5 to 6 Casual Male stores and investing in the Company's systems infrastructure, as part of its integration plan.

In connection with the Casual Male acquisition, the Company amended its Existing credit facility with Fleet Retail Finance, Inc. to provide for a total commitment of $120.0 million with a $20.0 million carve-out for standby and documentary letters of credit. This facility will continue to provide the Company with its on-going working cash needs. At August 3, 2002, the Company had borrowings of approximately $70.1 million outstanding under this credit facility and had outstanding standby letters of credit totaling approximately $1.4 million and outstanding documentary letters of credit of $1.4 million, with availability approximating $18.0 million.

The Company's working capital at August 3, 2002 was approximately $11.0 million, compared to $13.3 million at February 2, 2002. This decrease in working capital was primarily attributable to the long-term investment of the Casual Male acquisition.

The foregoing discussion of the Company's results of operations, liquidity, capital resources and capital expenditures includes certain forward-looking information. Such forward-looking information requires management to make certain estimates and assumptions regarding the Company's expected strategic direction and the related effect of such plans on the financial results of the Company. Accordingly, actual results and the Company's implementation of its plans and operations may differ materially from forward-looking statements made by the Company. The Company encourages readers of this information to refer to Exhibit 99.3 to the Company's Form 8-K, filed with the Securities and Exchange Commission on September 17, 2002, which identifies certain risks and uncertainties that may have an impact on future earnings and the direction of the Company.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, the financial position and results of operations of the Company are routinely subject to a variety of risks, including market risk associated with interest rate movements on borrowings. The Company regularly assesses these risks and has established policies and business practices to seek to protect against the adverse effect of these and other potential exposures.

The Company utilizes cash from operations and short-term borrowings to fund its working capital needs. Borrowings under the Company's bank credit agreement, which expires in May 2005, bear interest at variable rates based on Fleet National Bank, N.A.'s prime rate or the London Interbank Offering Rate ("LIBOR"). These interest rates at August 3, 2002 were 5.25% for prime based borrowings and included various LIBOR contracts with interest rates ranging from 4.630% to 5.124%. Based upon sensitivity analysis as of August 3, 2002, a 10% increase in interest rates would result in a potential cost to the Company of approximately $367,000 on an annualized basis. In addition, the Company has available letters of credit as sources of financing for its working capital requirements.

Part II. Other Information

ITEM 1. Legal Proceedings

None.

ITEM 2. Changes in Securities and Use of Proceeds

None.

ITEM 3. Default Upon Senior Securities

None.

ITEM 4. Submission of Matters to a Vote of Security Holders

(a) The Company held its Annual Meeting of Stockholders on August 8, 2002. The matters submitted to a vote of the Company's stockholders were (i) the election of eight directors, (ii) amendment to the Company's Restated Certificate of Incorporation to change the Company's name from "Designs, Inc." to "Casual Male Retail Group, Inc.", (iii) amendment to 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, (iv) approval for the issuance of additional common stock of the Company upon the conversion of outstanding preferred stock and the exercise of outstanding warrants, (v) approval for the change of the Company's state of incorporation from Delaware to Nevada through a reincorporation merger, and (vi)the ratification of Ernst & Young LLP as independent auditors for the Company for the current fiscal year.

(b) The Company's Stockholders elected eight directors to hold office until the 2003 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified. The results of the voting were as follows:

Directors	Votes FOR	Votes Withheld
Seymour Holtzman	15,351,360.5245	111,892
David A. Levin	15,352,460.5245	110,792
Jesse Choper	15,352,260.5245	110,992
Alan Cohen	15,352,260.5245	110,992
Stephen M. Duff	15,352,365.5245	110,887
Jeremiah P. Murphy, Jr.	15,352,660.5245	110,592
Joseph Pennacchio	15,352,260.5245	110,992
George T. Porter, Jr.	15,352,360.5245	110,892

(c) The Company's stockholders approved an amendment to the Company's Restated Certificate of Incorporation to change to the Company's name from "Designs, Inc" to "Casual Male Retail Group, Inc." The results of the voting were as follows:

Votes FOR	Votes AGAINST	Votes Withheld
15,413,578.5245	44,087	5,587

(d) The Company's stockholders approved an amendment to 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. The results of the voting were as follows:

Votes FOR	Votes AGAINST	Votes Withheld	Non-Votes
10,300,178.5245	1,037,850	11,876	4,113,348

(e) The Company's stockholders approved the issuance of additional common stock of the Company upon the conversion of outstanding preferred stock and the exercise of outstanding warrants. The results of the voting were as follows:

Votes FOR	Votes AGAINST	Votes Withheld	Non-Votes
11,085,112.5245	242,841	21,951	4,113,348

(f) The Company's stockholders approved the change to the Company's state of incorporation from Delaware to Nevada through a reincorporation merger. The results of the voting were as follows:

Votes FOR	Votes AGAINST	Votes Withheld	Non-Votes
9,816,102.5245	1,523,215	10,587	4,113,348

(g) The Company's stockholders also ratified the selection of Ernst & Young LLP as the Company's independent auditors for the current fiscal year. The results of the voting were as follows:

Votes FOR	Votes AGAINST	Votes Withheld
15,445,945.5245	8,671	8,636

ITEM 6. Exhibits and Reports on Form 8-K

A. Reports on Form 8-K:

The Company reported under Item 2 of Form 8-K, dated May 23, 2002, and amended on May 23, 2002, June 14, 2002 and September 11, 2002, its acquisition of substantially all of the assets of Casual Male Corp. and certain subsidiaries, and reported under Item 7 of such Form 8-K the historical audited consolidated financial statements of Casual Male Corp. and the unaudited pro forma financial information giving effect to the Company's acquisition of Casual Male Corp. and to the financing transactions completed by the Company as of May 14, 2002.

B. Exhibits:

3.1 Restated Certificate of Incorporation of the Company, as amended (included as Exhibit 3.1 to Amendment No. 3 of the Company's Registration Statement on Form S-1 (No. 33-13402), and incorporated herein by reference). *

3.2 Certificate of Amendment to Restated Certificate of Incorporation, as amended, dated June 22, 1993 (included as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q dated June 17, 1996, and incorporated herein by reference). *

3.3 Certificate of Amendment to Restated Certificate of Incorporation dated August 8, 2002.

3.3 Certificate of Designations, Preferences and Rights of a Series of Preferred Stock of the Company established Series A Junior Participating Cumulative Preferred Stock dated May 1, 1995 (included as Exhibit 3.2 to the Company's Annual Report on Form 10-K dated May 1, 1996, and incorporated herein by reference). *

3.4 Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of Series B Convertible Preferred Stock dated May 14, 2002 (included as Exhibit 3.1 to the Company's Form 8-K filed on May 23, 2002, and incorporated herein by reference). *

3.5 By-Laws of the Company, as amended (included as Exhibit 3.4 to the Company's Quarterly Report on Form 10-Q dated December 12, 2000, and incorporated herein by reference). *

10.1 1992 Stock Incentive Plan, as amended (included as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q dated September 18, 2001, and incorporated herein by reference). *

10.2 License Agreement between the Company and Levi Strauss & Co. dated as of April 14, 1992 (included as Exhibit 10.8 to the Company's Annual Report on Form 10-K dated April 29, 1993, and incorporated herein by reference). *

10.3 Amended and Restated Trademark License Agreement between the Company and Levi Strauss & Co. dated as of October 31, 1998 (included as Exhibit 10.4 to the Company's Current Report on Form 8-K dated December 3, 1998, and incorporated herein by reference). *

10.4 Amendment to the Amended and Restated Trademark License Agreement between the Company and Levi Strauss & Co. dated March 22, 2000 (included as Exhibit 10.7 to the Company's Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.5 Second Amended and Restated Loan and Security Agreement dated as of December 7, 2000 among the Company and Fleet Retail Finance Inc., as agent for the Lender(s) identified therein. (included as Exhibit 10.12 to the Company's Form 10-Q dated December 12, 2000, and incorporated herein by reference). *

10.6 Third Amended and Restated Loan and Security Agreement dated as of May 14, 2002, by and among Fleet Retail Finance, Inc., as Administrative Agent and Collateral Agent, the Lenders identified therein, the Company, as Borrowers' Representative, and the Company and Designs Apparel, Inc., as Borrowers. (included as Exhibit 10.9 to the Company's Current Report on Form 8-K/A filed on May 23, 2002, and incorporated herein by reference). *

10.7 Amendment and Distribution Agreement dated as of October 31, 1998 among the Designs JV Corp., LDJV Inc. and The Designs/OLS Partnership (included as Exhibit 10.2 to the Company's Current Report on Form 8-K dated December 3, 1998, and incorporated herein by reference). *

10.8 Guaranty by the Company of the indemnification obligation of Designs JV Corp. dated as of October 31, 1998 in favor of LDJV, Inc. (included as Exhibit 10.3 to the Company's Current Report on Form 8-K dated December 3, 1998, and incorporated herein by reference). *

10.9 Asset Purchase Agreement dated as of September 30, 1998 between the Company and Levi's Only Stores relating to the purchase by the Company of 16 Dockers(R) Outlet and nine Levi's(R) Outlet stores (included as Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 3, 1998, and incorporated herein by reference). *

10.10 Consulting Agreement dated as of December 15, 1999 between the Company and George T. Porter, Jr. (included as Exhibit 10.22 to the Company's Annual Report on Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.11 Extension to Consulting Agreement, dated as of April 28, 2001, between the Company and Jewelcor Management, Inc. (included as Exhibit 10.15 to the Company's Quarterly Report on Form 10-Q dated September 18, 2001, and incorporated herein by reference). *

10.12 Employment Agreement dated as of March 31, 2000 between the Company and David A. Levin (included as Exhibit 10.27 to the Company's Annual Report on Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.13 Amendment to Employment Agreement dated as of April 10, 2001 between the Company and David A. Levin (included as Exhibit 10.19 to the Company's Quarterly Report on Form 10-Q dated June 19, 2001, and incorporated herein by reference). *

10.14 Secured Promissory Note dated as of June 26, 2000 between the Company and David A. Levin (included as Exhibit 10.28 to the Company's Quarterly Report on Form 10-Q dated September 12, 2000, and incorporated herein by reference). *

10.15 Pledge and Security Agreement dated June 26, 2000 between the Company and David A. Levin (included as Exhibit 10.29 to the Company's Quarterly Report on Form 10-Q dated September 12, 2000, and incorporated herein by reference). *

10.16 Employment Agreement dated as of August 14, 2000 between the Company and Dennis R. Hernreich (included as Exhibit 10.30 to the Company's Quarterly Report on Form 10-Q dated September 12, 2000, and incorporated herein by reference). *

10.17 Amendment to Employment Agreement dated as of April 25, 2001 between the Company and Dennis R. Hernreich (included as Exhibit 10.23 to the Company's Quarterly Report on Form 10-Q dated June 19, 2001, and incorporated herein by reference). *

10.18 Employment Agreement dated as of October 22, 2001 between the Company and Ronald N. Batts (incorporated as Exhibit 10.25 to the Company's Quarterly Report on Form 10-Q dated December 14, 2001, and incorporated herein by reference). *

10.19 Retail Store License Agreement dated as of January 9, 2002 between the Company and Candie's, Inc. (incorporated as Exhibit 10.23 to the Company's Annual Report on Form 10-K dated May 1, 2002, and incorporated herein by reference). *

10.20 Retail Store License Agreement Amendment No. 1 dated as of January 15, 2002 between the Company and Candie's, Inc. (incorporated as Exhibit 10.24 to the Company's Annual Report on Form 10-K dated May 1, 2002, and incorporated herein by reference). *

10.21 Asset Purchase Agreement entered into as of May 2, 2002, by and among the Company and Casual Male Corp. and certain subsidiaries (included as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 23, 2002, and incorporated herein by reference). *

10.22 Amended and Restated Note Agreement, dated as of April 26, 2002, and amended and restated as of May 14, 2002, among the Company, certain subsidiaries of the Company and the purchasers identified therein (included as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 23, 2002, and incorporated herein by reference). *

10.23 Form of 12% Senior Subordinated Note due 2007 (included as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on May 23, 2002, and incorporated herein by reference). *

10.24 Form of 5% Subordinated Note due April 26, 2007 (included as Exhibit 10.4 to the Company's Current Report on Form 8-K filed on May 23, 2002, and incorporated herein by reference). *

10.25 Form of Warrant to Purchase Shares of Common Stock (aggregating 787,500 shares)(included as Exhibit 10.5 to the Company's Current Report on Form 8-K filed on May 23, 2002, and incorporated herein by reference). *

10.26 Form of Warrant to Purchase Shares of Common Stock (aggregating 927,500 shares, subject to shareholder approval)(included as Exhibit 10.6 to the Company's Current Report on Form 8-K filed on May 23, 2002, and incorporated herein by reference). *

10.27 Form of Warrant to Purchase Shares of Common Stock (aggregating 1,176,471 shares, subject to shareholder approval)(included as Exhibit 10.7 to the Company's Current Report on Form 8-K filed on May 23, 2002, and incorporated herein by reference). *

10.28 Registration Rights Agreement entered into as of April 26, 2002, by and between the Company and the persons party thereto (included as Exhibit 10.8 to the Company's Current Report on Form 8-K filed on May 23, 2002, and incorporated herein by reference). *

10.29 Sourcing Agreement dated May 1, 2002, between the Company and Kellwood Company (included as Exhibit 10.29 to the Company's Quarterly Report on Form 10-Q filed on June 18, 2002, and incorporated herein by reference). *

10.30 Extension to Consulting Agreement, dated as of April 28, 2002, between the Company and Jewelcor Management, Inc (included as Exhibit 10.30 to the Company's Quarterly Report on Form 10-Q filed on June 18, 2002, and incorporated herein by reference). *

10.31 Form of Warrant to Purchase Shares of Common Stock (aggregating

500,000 shares).

18.1 Letter of Preferability from Ernst & Young dated June 13, 2001 (included as Exhibit 18.1 to the Company's Quarterly Report on Form 10-Q dated June 19, 2001, and incorporated herein by reference). *

99 Certain cautionary statements of the Company to be taken into account in conjunction with consideration and review of the Company's publicly-disseminated documents (including oral statements made by others on behalf of the Company) that include forward looking information (included as Exhibit 99.3 to the Company's Current Report on Form 8-K filed on September 17, 2002, and incorporated by reference). *

* Previously filed with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CASUAL MALE RETAIL GROUP, INC.

Date: September 17, 2002

By: /S/ DENNIS R. HERNREICH

Dennis R. Hernreich, Senior Vice President,
And Chief Financial Officer

Casual Male Retail Group, Inc.
Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David A. Levin, certify that:

1. I have reviewed this report on Form 10-Q of Casual Male Retail Group, Inc. (formerly Designs, Inc.);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this

report; and

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

Date: September 17, 2002

/s/ DAVID A.LEVIN

David A. Levin
Chief Executive Officer
(Principal Executive Officer)

I, Dennis R. Hernreich, certify that:

1. I have reviewed this report on Form 10-Q of Casual Male Retail Group, Inc. (formerly Designs, Inc.);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; and

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

Date: September 17, 2002

/s/ DENNIS R. HERNREICH

Dennis R. Hernreich
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATE OF AMENDMENT
TO THE
RESTATED CERTIFICATE OF INCORPORATION
OF
DESIGNS, INC.

Pursuant to Section 242 of the
Delaware General Corporation Law

Designs, Inc. (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name of the Corporation is Designs, Inc.

2. The Restated Certificate of Incorporation of the Corporation (the "Restated Certificate of Incorporation") was filed with the office of the Secretary of State of the State of Delaware on April 20, 1987 and was amended on June 1, 1987 and June 22, 1993.

3. The Restated Certificate of Incorporation is amended to change the name of the Corporation by deleting Article FIRST in its entirety and substituting therefor the following:

"FIRST: The name of the Corporation is Casual Male Retail Group, Inc."

4. The Restated Certificate of Incorporation is further amended to increase the authorized common stock of the Corporation by deleting the first paragraph of Article FOURTH in its entirety and substituting therefor the following new paragraph:

"FOURTH: 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."

5. The foregoing amendments to the Restated Certificate of Incorporation were declared advisable by the Board of Directors of the Corporation pursuant to resolutions duly adopted on June 10, 2002, and was duly adopted in accordance with the provisions of Sections 242(b) of the Delaware General Corporation Law by the stockholders of the Corporation at the Corporation's annual meeting of stockholders held on August 8, 2002.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed this 8th day of August 2002.

DESIGNS, INC.

By: \s\ SEYMOUR HOLTZMAN
Name: Seymour Holtzman
Title: Chairman of the Board of Directors

KL2:2169807.3

Exhibit 10.31

WARRANT TO PURCHASE
COMMON STOCK

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED FOR RESALE UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO SUCH SECURITIES AND SUCH DISPOSITION FILED UNDER THE ACT, OR AN EXEMPTION FROM REGISTRATION, AND COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS. THE ISSUER MAY REQUIRE AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER HEREOF THAT SUCH REGISTRATION IS NOT REQUIRED AND THAT SUCH LAWS ARE COMPLIED WITH.

Void After 5:00 p.m., Eastern Time, on May 14, 2006

Warrant to Purchase
500,000 shares of
Common Stock, par value $.01 per share
of
DESIGNS, INC.

This is to Certify That, FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, _________________________ (the "Holder") is entitled to purchase, subject to the provisions of this Warrant, from Designs, Inc. ("Company"), a Delaware corporation, at any time prior to 5:00 p.m., Eastern Time, on May 14, 2006, a total of 500,000 shares of Common Stock, par value $.01 per share, of the Company ("Securities") at an initial purchase price of $4.25 per share. The number of Securities to be received upon the exercise of this Warrant and the price to be paid for the Securities may be adjusted from time to time as hereinafter set forth. The number of Securities to be received upon the exercise of this Warrant in effect at any time and as adjusted from time to time is hereinafter sometimes referred to as the "Exercise Rate" and the purchase price per Security in effect at any time and as adjusted from time to time, and subject to the minimum purchase price set forth in Section 7(k), is hereinafter sometimes referred to as the "Exercise Price" per Security. The Securities, as adjusted from time to time, together with any other Securities issuable upon exercise of this Warrant are hereinafter sometimes referred to as "Warrant Securities". Certain capitalized terms used in this Warrant are defined in Section 14 hereof.

1. Exercise of Warrant. This Warrant may be exercised at the option of the Holder in whole or in part at any time or from time to time beginning at such time as the Company has obtained the requisite stockholder approval required by Nasdaq for the issuance of such shares of Common Stock (the "Stockholder Approval"), but prior to 5:00 p.m., Eastern Time on May 14, 2006, or if May 14, 2006, is a Saturday, Sunday or a day on which banking institutions in New York, New York are authorized by law to close, then on the next succeeding day (a "Business Day") which shall not be such a day, by presentation and surrender hereof to the Company or at the office of its stock transfer agent, if any, with the Purchase Form annexed hereto duly executed, and accompanied by payment of the Exercise Price, for the number of Securities specified in such Form, together with all federal and state taxes applicable upon such exercise. If, upon exercise of this Warrant, the Warrant Securities issuable upon exercise of this Warrant are not then registered under the Act pursuant to an effective registration statement thereunder, the Holder shall be deemed to have represented and warranted to the

Company that such Holder (x) is a "qualified institutional buyer" as defined in Rule 144A under the Act or and "accredited investor" as defined in Rule 501 under the Act, in either case with such knowledge and experience in financial and business matters as is necessary to evaluate the merits and risks of an investment in the Warrant Securities, and (y) such Holder is not acquiring the Warrant Securities with a view to any distribution thereof or with any intention of offering or selling any Warrant Securities in a transaction that would violate the Act or the securities laws of any state of the United States. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the right of the Holder to purchase the balance of the Securities purchasable hereunder. Upon receipt by the Company of this Warrant at the office of the Company or at the office of the Company's stock transfer agent, in proper form for exercise and accompanied by the Exercise Price, if and as applicable, the Holder shall be deemed to be the holder of record of the Securities issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such Securities shall not then be actually delivered to the Holder. It is understood and agreed that this Warrant shall not be exercisable until Stockholder Approval is obtained. It is further understood and agreed by the Holder that this Warrant shall not be exercisable until 20 days following the Holder's notice to the Company of its election to exercise this Warrant to enable the Company to give notice of issuance and effect the listing of the Securities issuable upon such exercise on The Nasdaq Stock Market prior to such exercise.

2. Reservation of Securities. The Company hereby agrees that at all times there shall be reserved for issuance and/or delivery upon exercise of this Warrant such number of shares of Securities as shall be required for issuance or delivery upon exercise of this Warrant. The Company covenants and agrees that, upon exercise of this Warrant and payment of the Exercise Price therefor, if and as applicable, all Securities and other securities issuable upon such exercise shall be duly and validly issued, fully paid, non-assessable and not subject to the preemptive rights of any stockholder. As long as this Warrant shall be outstanding, the Company shall use its best efforts to cause all Securities issuable upon the exercise of this Warrant to be listed (subject to official notice of issuance) on all securities exchanges or quotation systems on which its Common Stock issued may then be listed and/or quoted.

3. Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the Prior Day Market Value of such fractional share.

4. Loss of Warrant. Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date. Any such new Warrant executed and delivered shall constitute an additional contractual obligation on the part of the Company, whether or not the Warrant so lost, stolen, destroyed, or mutilated shall be at any time enforceable by anyone.

5. Rights of the Holder. The Holder shall not, by virtue hereof, be entitled to any rights of a stockholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in this Warrant.

6. Certain Notices to Warrant Holders. The Company shall give prompt written notice to the Holder of any determination to make a distribution to the holders of its Common Stock of any cash dividends, assets, debt securities, preferred stock, or any rights or warrants to purchase debt securities, preferred stock, assets or other securities (other than Common Stock, or rights, options, or warrants to purchase Common Stock) of the Company, which notice shall state the nature and amount of such planned dividend or distribution

and the record date therefor, and shall be received by the Holder or sent to the Holder by reputable overnight courier, in either case to its address as provided in Section 8, at least 10 days prior to such record date therefor. The Company shall provide notice to the Holder that any tender offer is being made for securities of the same class as any Warrant Securities no later than the first Business Day after the day the Company becomes aware of any such tender offer. Notwithstanding any notice provided to the Holder pursuant to this Section 6, the Holder shall be entitled to any and all applicable adjustments to the Exercise Rate and the Exercise Price per Security as provided in Section 7 arising out of any event requiring notice to the Holder in this Section 6.

7. Adjustment of Exercise Rate and Exercise Price.

The Exercise Rate and the Exercise Price are subject to adjustment from time to time upon the occurrence of the events enumerated in this Section 7. The Exercise Rate shall initially be the number of Securities for which this Warrant is initially exercisable as set forth in the introductory paragraph to this Warrant. In the event that this Warrant is transferred or exercised in part, the initial Exercise Rate of the portion not exercised or transferred shall be adjusted proportionately as shall the initial Exercise Rate of any partial transfer of this Warrant. For the purposes of Sections 7(a) and 7(b), (i) shares of Common Stock issuable upon the exercise of this Warrant and all other warrants issued in connection with the private placement referred to in Section 15 shall be deemed to be outstanding and (ii) all shares of Common Stock that would be deemed to be outstanding as of the date of determination in respect of Convertible Securities, as determined in accordance with GAAP, shall be deemed to be outstanding.

(a) Adjustment for Change in Capital Stock. If, after the Issue Date, the Company:

(i) pays a dividend or makes a distribution on shares of its Common Stock payable in shares of its Common Stock to the Holder pursuant to Section 7(c));

(ii) subdivides or splits its outstanding shares of Common Stock into a greater number of shares; or

(iii) combines its outstanding shares of Common Stock into a smaller number of shares;

then (1) the Exercise Rate in effect immediately prior to such action for this Warrant shall be adjusted by multiplying the Exercise Rate in effect immediately prior to such action by a fraction (A) the numerator of which shall be the number of shares of Common Stock outstanding immediately after such action and (B) the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such action or the record date applicable to such action, if any and (2) the Exercise Price per Security in effect immediately prior to such action shall be adjusted by multiplying the Exercise Price per Security in effect immediately prior to such action by a fraction (A) the numerator of which is one and (B) the denominator of which shall be the fraction calculated in clause (1) of the above formula. The adjustments shall become effective immediately after the record date in the case of a dividend or distribution and immediately after the effective date in the case of a subdivision or combination. In the event that such dividend or distribution is not so paid or made or such subdivision, combination or reclassification is not effected, the Exercise Rate and the Exercise price per Security shall again be adjusted to be the Exercise Rate and the Exercise Price per Security which would then be in effect if such record date or effective date had not been so fixed.

(b) Adjustment for Certain Sales of Common Stock Below Current Market Value. If, after the Issue Date, the Company (i) grants or sells to any Affiliate of the Company (other than a wholly owned subsidiary of the Company) or (ii) grants, sells or offers to grant or sell to all holders of Common Stock, any shares of Common Stock or Convertible Securities (other than, in the case of each of clauses (i) and (ii),

(1) pursuant to any Convertible Security or other right outstanding as of the Issue Date or issuable in connection with the Transactions and financing therefor and the fees and expenses thereof, or (2) upon the conversion, exchange or exercise of any Convertible Security or other right as to which upon the issuance thereof an adjustment pursuant to this Section 7 has been made), at a price below the then Current Market Value, the Exercise Rate and the Exercise price per Security for this Warrant shall be adjusted in accordance with the formulae:

$$E1 = \frac{E \times (O+N)}{(O + (N \times P/M))} \qquad \$1 = \frac{\$ \times (O + N \times P/M)}{(O + N)}$$

where:

E1 = the adjusted Exercise Rate for this Warrant;

E = the then current Exercise Rate for this Warrant;

$1 = the adjusted Exercise Price per Security for this Warrant;

$ = the then current Exercise Price per Security for this Warrant;

O = the number of shares of Common Stock outstanding immediately prior to the sale of such Common Stock or issuance of Convertible Securities;

N = the number of shares of Common Stock so sold or the maximum stated number of shares of Common Stock issuable upon the conversion, exchange or exercise of any such Convertible Securities;

P = the proceeds per share of Common Stock received by the Company, which (i) in the case of shares of Common Stock is the amount received by the Company in consideration for the sale and issuance of such shares; and (ii) in the case of Convertible Securities is the amount received by the Company in consideration for the sale and issuance of such Convertible Securities, plus the minimum aggregate amount of additional consideration, other than the surrender of such Convertible Securities, payable to the Company upon exercise, conversion or exchange thereof; and

M = the Current Market Value as of the Time of Determination or at the time of sale, as the case may be, of a share of Common Stock.

The adjustments shall become effective immediately after the record date for the determination of shareholders entitled to receive the rights, warrants or options to which this paragraph (b) applies or upon consummation of the sale of Common Stock, as the case may be. To the extent that shares of Common Stock are not delivered after the expiration of such rights, warrants or options or exercise, conversion or exchange rights in respect to such Convertible Securities, the Exercise Rate and the Exercise Price per Security for this Warrant shall be readjusted to the Exercise Rate and the Exercise Price per Security which would otherwise be in effect had the adjustment made upon the issuance of such rights, warrants or options or Convertible Securities been made on the basis of delivery of only the number of shares of Common Stock actually delivered. In the event that such rights or warrants are not so issued, the Exercise Rate and the Exercise Price per Security for this Warrant shall again be adjusted to be the Exercise Rate and the Exercise Price per Security which would then be in effect if such date fixed for determination of shareholders entitled to receive such rights, warrants or options had not been so fixed.

No adjustments shall be made under this paragraph (b) if the application of the formula stated above in this paragraph (b) would result in a value of E1 that is lower than the value of E.

No adjustments shall be made under this paragraph (b) for any adjustments which are the subject of paragraphs (a) or (d) of this Section 7.

Anything in this Warrant to the contrary notwithstanding, an event which would otherwise give rise to adjustments pursuant to this Section 7(b) shall not give rise to such adjustments if the Company grants, sells or offers to sell shares of Common Stock or Convertible Securities, in each case on the same terms as the underlying event, to the Holder on a pro rata basis, assuming for the purpose of this Section 7(b) that all warrants issued in connection with the private placement referred to in Section 15 had been exercised.

Notwithstanding the foregoing, no adjustment in the Exercise Rate or the Exercise Price per Security will be required in respect of: (a) the grant of any stock option or other stock incentive award pursuant to any present stock option or stock incentive plan or arrangement or pursuant to any other customary compensatory stock option or stock incentive plan for employees, officer and/or directors, (b) the grant of any stock option or stock incentive award at an exercise price at least equal to the then Prior Day Market Value or (c) the exercise of any stock option or stock incentive award or similar award or right.

(c) Notice of Adjustments. Whenever the Exercise Rate and Exercise Price per Security are adjusted, the Company shall promptly mail to the Holder a notice of the adjustments. The Company shall also provide the Holder with a certificate from the Company's independent public accountants briefly stating the facts requiring the adjustments and the manner of computing it. The certificate shall be conclusive evidence that the adjustments are correct, absent manifest error.

(d) Reorganization of Company; Fundamental Transaction.

(i) If (x) the Company shall reclassify its Common Stock (other than a change in par value, or from par value to no par value, or a subdivision or combination thereof), or (y) the Company, in a single transaction or through a series of related transactions, consolidates with or merges with or into any other person or sells, assigns, transfers, leases, conveys or otherwise disposes of all or substantially all of its properties and assets to another person or group of affiliated persons or is a party to a merger or binding share exchange which, in the case of any of the transactions referred to in this clause (y), reclassifies or changes its outstanding Common Stock (each of (x) and (y) above being referred to as a "Fundamental Transaction"), as a condition to consummating any such Fundamental Transaction, the Company, in the case of any such reclassification referred to in clause (x), or the person formed by or surviving any such consolidation or merger if other than the Company or the person to whom such transfer has been made in the case of clause (y) above (the "Surviving Person"), shall enter into a supplemental warrant agreement. The supplemental warrant agreement shall provide (a) that the Holder may exercise this Warrant for the kind and amount of securities, cash or other assets which the Holder would have received immediately after the Fundamental Transaction if the Holder had exercised this Warrant immediately before the effective date of the transaction, assuming (to the extent applicable) that the Holder (i) was not a constituent person or an affiliate of a constituent person to any transaction described in clause (y) above, (ii) made no election with respect to any transaction described in clause (y) above, and (b) in the case of any transaction described in clause (y) above, that the Surviving Person shall succeed to and be substituted to every right and obligation of the Company in respect of this War rant. The supplemental warrant agreement shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 7. The Surviving Person or the Company, as applicable, shall mail to the Holder a notice briefly describing the supplemental warrant agreement. If the issuer of securities deliverable upon exercise of this Warrant is an affiliate of a Surviving Person, that issuer shall join in the supplemental warrant agreement.

(ii) Notwithstanding the foregoing, if a Fundamental Transaction shall occur and, upon consummation of such Fundamental Transaction, consideration is payable to holders of shares of Common Stock which consideration consists solely of cash, assuming (to the extent applicable) that the Holder (i) was not a constituent person or an affiliate of a constituent person to a transaction described in Section 7(d)(i)(y) above and (ii) made no election with respect thereto, then the Holder shall be entitled to receive distributions upon consummation of such Fundamental Transaction on an equal basis with holders of Common Stock as if this Warrant had been exercised immediately prior to such event, less the aggregate Exercise Price therefor; provided that the Company or the Surviving Person, as the case may be, may require the surrender of this Warrant to such person prior to making any such distribution to the Holder. Upon receipt of such payment, if any, the rights of the Holder shall terminate and cease and this Warrant shall expire.

(iii) If this paragraph (e) applies, it shall supersede the application of paragraph (a) or (b) of this Section 7.

(e) Other Events If any event occurs as to which the provisions of this Section 7 are not strictly applicable or, if strictly applicable, would not, in the good faith judgment of the board of directors of the Company, fairly and adequately protect the rights of the Holder in accordance with the essential intent and principles of such provisions, then such board of directors shall make such adjustments in the application of such provisions, in accordance with such essential intent and principles, as shall be reasonably necessary, in the good faith opinion of such board of directors, to protect such rights as aforesaid, but in no event shall any such adjustment have the effect of decreasing the Exercise Rate or decreasing the number of Securities issuable upon exercise of this Warrant or increasing the Exercise Price per Security.

(f) Company Determination Final. Any determination that the Company or the board of directors of the Company must make pursuant to this Section 7 shall be conclusive, absent manifest error.

(g) Specificity of Adjustments. Regardless of any adjustments in the number or kind of shares purchasable upon the exercise of this Warrant or the Exercise Price per Security, this Warrant may continue to express the same number and kind of Securities initially issuable pursuant to this Warrant and the initial Exercise Price per Security as set forth in the first paragraph hereof.

(h) Voluntary Adjustment. The Company from time to time may increase the Exercise Rate and correspondingly decrease the Exercise Price per Security by any number and for any period of time; provided, however, that such period is not less than 20 Business Days. Whenever the Exercise Rate is so increased and the Exercise Price per Security is so decreased, the Company shall mail to the Holder a notice thereof. The Company shall give the notice at least 10 days before the date the increased Exercise Rate and decreased Exercise Price per Security takes effect. The notice shall state the increased Exercise Rate and decreased Exercise Price per Security and the period it will be in effect. A voluntary increase in the Exercise Rate and decrease in the Exercise Price per Security shall not change or adjust the Exercise Rate or Exercise Price per Security otherwise in effect as determined by this Section 7.

(i) Multiple Adjustments. After an adjustment to the Exercise Rate and Exercise Price per Security for this Warrant under this Section 7, any subsequent event requiring an adjustment under this Section 7 shall cause an adjustment to the Exercise Rate and Exercise Price per Security for this Warrant as so adjusted.

(j) When De Minimis Adjustment May Be Deferred. No adjustment in the Exercise Rate or Exercise Price per Security shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Rate; provided, however, that any adjustments which by reason of the foregoing are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations of the Exercise Rate shall be rounded to the nearest whole number. All calculations of the Exercise Price per Security shall be rounded to the nearest ten thousandth of one cent. No adjustments need be made for a change in the par value of the Common Stock and no adjustments shall be deferred beyond the date on which this Warrant is exercised.

(k) Notwithstanding any adjustment to the Exercise Price called for by this Section 7, in no event will the Exercise Price per share of Common Stock be adjusted to an amount that is less than the par value per share of the Common Stock at the time of such adjustment, and if, but for the provisions of this Section 7(k), an adjustment to the Exercise Price would be required under this Section 7 that would result in an Exercise Price per share of Common Stock that is less than the par value per share of the Common Stock, then the Exercise Price shall be adjusted such that the Exercise Price per share of Common Stock equals the par value of the Common Stock.

(l) Amendments of the Certificate of Incorporation. The Company shall not amend its Certificate of Incorporation to increase the par value of any Warrant Security such that such par value would exceed the Exercise Price per share of such Warrant Security.

8. Notices. Any notices or certificates by the Company to the Holder and by the Holder to the Company shall be deemed delivered if in writing and delivered personally or sent by certified mail or reputable overnight courier, to the Holder, addressed as set forth in the Instructions for Registration of Warrant delivered to the Company, which may be superseded from time to time upon notice to the Company, and, if to the Company, addressed to Designs, Inc., 555 Turnpike Street, Canton, Massachusetts, 02021, Attention: Chief Financial Officer. The Company may change its address by written notice to the Holder.

9. Limitations on Transferability. This Warrant may be divided or combined, upon request to the Company by the Holder, into a certificate or certificates evidencing the same aggregate number of Warrants. This Warrant may not be offered, sold, transferred, pledged or hypothecated (i) in the absence of an effective registration statement as to this Warrant and such transaction filed under the Act, or an exception from the requirement of such registration, and compliance with the applicable federal and state securities laws, (ii) in an amount representing the right to purchase fewer than 140,000 shares of Common Stock, and (iii) with the consent of the Company, which consent shall not unreasonably be withheld. The Company may require an opinion of counsel satisfactory to the Company that such registration is not required and that such laws are complied with. The Company may treat the registered holder of this Warrant as he or it appears on the Company's books at any time as the Holder for all purposes. The Company shall permit the Holder or his duly authorized attorney, upon written request during ordinary business hours, to inspect and copy or make extracts from its books showing the registered holders of Warrants.

10. Transfer to Comply With the Securities Act of 1933. The Company may cause the following legend, or one similar thereto, to be set forth on this Warrant and on each certificate representing Warrant Securities, or any other security issued or issuable upon exercise of this Warrant, unless (a) the Company has received an opinion of counsel satisfactory to the Company as to any such certificate that such

legend, or one similar thereto, is unnecessary or (b) a registration statement with respect to this Warrant and the Warrant Securities has become effective under the Act.

"THIS SECURITY HAS NOT BEEN REGISTERED FOR RESALE UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO SUCH SECURITY AND SUCH DISPOSITION FILED UNDER THE ACT, OR AN EXEMPTION FROM REGISTRATION, AND COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS. THE ISSUER MAY REQUIRE AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER HEREOF THAT SUCH REGISTRATION IS NOT REQUIRED AND THAT SUCH LAWS ARE COMPLIED WITH."

11. Applicable Law. This Warrant shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to conflict of law principles.

12. Amendments. This Warrant may not be amended except in a writing signed by the Holder and the Company.

13. Severability. If any provisions of this Warrant shall be held to be invalid or unenforceable, such invalidity or enforceability shall not affect any other provision of this Warrant.

14. Certain Definitions. In addition to the capitalized terms defined elsewhere in this Warrant, the following capitalized terms shall have the meanings set forth below.

"Act" shall mean the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"Affiliate" of a person shall mean a person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such person. The term "control" means the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

"Convertible Security" shall mean any security convertible into or exchangeable or exercisable for Common Stock, including but not limited to, rights, options or warrants entitling the holder thereof to acquire Common Stock or any security convertible into or exchangeable for Common Stock.

"Current Market Value" per share of Common Stock of the Company at any date shall mean:

(1) if Common Stock is not then registered under the Exchange Act and traded on a national securities exchange or on the Nasdaq National Market System,

(a) the value of such Common Stock, determined in good faith by the board of directors of the Company and certified in a board resolution, taking into account the most recently completed arms-length transaction between the Company and a person other than an Affiliate of the Company and the closing of which occurs on such date or shall have occurred within the six-month period preceding such date, or

(b) if no such transaction shall have occurred on such date or within such six-month period, the fair market value of the security as determined by a nationally recognized investment bank; provided, however, that, in the case of the calculation of Current Market Value for determining the cash value of fractional shares, no such determination by an investment bank shall be required and the good faith judgment of the board of directors as to such value shall be conclusive, or

(2) (a) if Common Stock is then registered under the Exchange Act and traded on a national securities exchange or on the Nasdaq National Market System, the average of the daily closing sales prices of such Common Stock for the 20 consecutive trading days immediately preceding such date, or

(b) if Common Stock has been registered under the Exchange Act and traded on a national securities exchange or on the Nasdaq National Market System for less than 20 consecutive trading days before such date, then the average of the daily closing sales prices for all of the trading days before such date for which closing sales prices are available,

in the case of each of (2)(a) and (2)(b), as certified by the Chief Executive Officer, the President, any Executive Vice President or the Chief Financial Officer or Treasurer of the Company. The closing sales price of each such trading day shall be the closing sales price, regular way, on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"GAAP" shall mean generally accepted accounting principles in the United States as in effect on April 26, 2002.

"Issue Date" shall mean May 14, 2002.

"Permitted Cash Dividend" shall mean any cash dividend in respect of Common Stock that, together with all such dividends (other than dividends with respect to which an adjustment has been made pursuant to Section 7(c)(i)) declared in respect of Common Stock during the previous twelve months, on a per share basis, does not exceed 10% of the average closing sales prices per share of the Common Stock for each trading day during such twelve month period.

"Prior Day Market Value" per share of Common Stock of the Company at any date shall mean:

(1) if Common Stock is not then registered under the Exchange Act and traded on a national securities exchange or on the Nasdaq National Market System, the Current Market Value per share of Common Stock, or

(2) if Common Stock is then registered under the Exchange Act and traded on a national securities exchange or on the Nasdaq National Market System, the closing sales price of Common Stock for the trading day ending immediately prior to the event causing the Prior Day Market Value to be determined.

"Time of Determination" shall mean (i) in the case of any distribution of securities or other property to existing shareholders to which Section 7(b) applies, the time and date of the determination of shareholders enti tled to receive such securities or property or (ii) in the case of any other issuance and sale to which Section 7(b) applies, the time and date of such issuance or sale.

15. Registration Rights. If the Company shall at any time, or from time to time, file with the Securities and Exchange Commission a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to any of the securities issued pursuant to the private placement arranged by Holder, Holder shall then have the right to include a part or all of its securities received in connection with arranging such private placement, of the same class otherwise subject to such registration statement, in any such registration statement. The Company will not be responsible for Holder's legal fees, underwriting commissions or other expenses related to the filing of a registration statement under the Securities Act.

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Date: June ___, 2002

DESIGNS, INC.

By:

Name:
Title: