

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report:

June 6, 1996

DESIGNS, INC.

(Exact Name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	0-15898 (Commission File Number)	04-2623104 (IRS Employer Identification No.)
---	--	--

66 B Street, Needham, Massachusetts (Address of principal executive offices)	02194 (Zip Code)
---	---------------------

(617) 444-7222
(Registrant's telephone number, including area code)

Item 5. Other Events

As previously announced, Designs, Inc. (the "Company") entered into a Credit Agreement dated as of November 17, 1994 (the "Credit Agreement") among the Company, BayBank Boston, N.A. ("BayBank") and State Street Bank and Trust Company ("State Street"). On May 8, 1996, the Company, BayBank and State Street entered into an Amendment (the "Amendment") to the Credit Agreement, as amended. A copy of the Amendment is attached as Exhibit 10.1 hereto.

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 hereunto duly authorized.

DESIGNS, INC.

Date: June 6, 1996

By: /s/ Joel H. Reichman

Joel H. Reichman, President and
Chief Executive Officer

Index to Exhibits

Exhibit No.

Description

10.1

Amendment dated as of May 8, 1996 to the Credit Agreement, as amended, among Designs, Inc., BayBank Boston, N.A. and State Street Bank and Trust Company dated as of November 17, 1994.

BAYBANK, N.A.
7 NEW ENGLAND EXECUTIVE PARK
BURLINGTON, MASSACHUSETTS 01803

STATE STREET BANK AND TRUST COMPANY
225 FRANKLIN STREET
BOSTON, MASSACHUSETTS 02110

As of May 8, 1996

Designs, Inc.
1244 Boylston Street
Chestnut Hill, Massachusetts 02167

Ladies and Gentlemen:

Reference is made to the Credit Agreement dated as of November 17, 1994, as amended pursuant to that certain letter agreement dated May 1, 1995 ("First Amendment") and that certain letter agreement dated June 2, 1995 ("Second Amendment") (said Credit Agreement as amended pursuant to the First Amendment and the Second Amendment herein referred to altogether as the "Credit Agreement") among Designs, Inc., a Delaware corporation (the "Company"), BayBank Boston, N.A., now known as BayBank, N.A. ("BayBank") and State Street Bank and Trust Company (the "Banks"). Capitalized terms used herein and not otherwise defined shall have the same meanings herein as in the Credit Agreement.

Pursuant to the terms of the Second Amendment, Section 2.19 was added to the Credit Agreement. The Company and the Banks have agreed to amend certain parts of said Section 2.19, subject to the terms and conditions of this letter agreement (the "Third Amendment"). For valuable consideration, the Company and the Banks hereby agree as follows:

1. The amount: "\$5,000,000.00" appearing at the end of Section 2.19(b) is hereby replaced with the amount: "\$8,000,000.00."

2. Section 2.19(g) is hereby amended by rewriting it in its entirety, to read as follows:

"(g) The Company shall pay to the Issuing Bank: (i) on the date of issuance of any Letter of Credit, for the account of the Issuing Bank, a non-refundable fee (the "Issuance Fee") equal to \$75.00 with respect to Trade Letters of Credit; (ii) on the date of any extension of or amendment to any Letter of Credit, for the account of the Issuing Bank a non-refundable fee (the "Amendment Fee") equal to \$40.00; and (iii) upon presentment for payment of a draft under any Trade Letter of Credit, a non-refundable fee (the "Negotiation Fee") equal to the greater of (x) one quarter of one percent (1/4%) of the face amount of such Trade Letter of Credit or (y) \$75.00, with the first \$50.00 of any such Negotiation Fee for the account of the Issuing Bank and the remainder for the respective pro-rata accounts of the Banks."

3. The Company hereby confirms that (i) the representations and warranties of the Company contained in Article 4 of the Credit Agreement are true on and as of the date hereof as if made on such date (except to the extent that such representations and warranties expressly relate to an earlier date), except that the Company hereby discloses that the federal income tax returns of the Company and its Subsidiaries for tax returns filed for the years ended February 1, 1992 and January 30, 1993 are currently under audit by the Internal Revenue Service; (ii) since the last financial statements delivered to the Banks by the Company, there has occurred no material adverse change in the assets or liabilities or in the financial or other condition of the Company; (iii) the Company is in compliance in all material respects with all of the terms and provisions of the Credit Agreement; and (iv) after giving effect to this Third Amendment, no Event of Default specified in the Credit Agreement nor any event with the giving of notice or expiration of any applicable grace period or both would constitute such an Event of Default, has occurred and is continuing.

4. Except to the extent specifically amended hereby, the Credit Agreement and all related documents shall remain in full force and effect. This Third Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument. This Third Amendment shall be governed by the laws of The Commonwealth of Massachusetts and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the Company and the Banks have caused this Third Amendment to be executed and delivered as a sealed instrument, at Boston, Massachusetts, by their duly authorized officers, all as of the date first written above.

Very truly yours,

BAYBANK, N.A.

By: /s/ Matthew P. Karlson

Title: Loan Officer

STATE STREET BANK AND TRUST COMPANY

By: /s/ Andrew Beise

Title: Vice President

DESIGNS, INC.

By: /s/ Scott N. Semel

Title: Secretary and Executive Vice
President