

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into as of January 15, 2010 (the “Effective Date”), by and between EUSA Liquidation Inc. (formerly Escada (USA) Inc.), a Delaware corporation (the “Company”), and Christian D. Marques (the “Executive”).

RECITALS

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

A. On August 14, 2009, the Company filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, the (“Bankruptcy Code”) with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).

B. The Executive was previously employed as the Chief Financial Officer of the Company and currently serves as a member of the Board of Directors of the Company. The Executive’s employment by the Company was terminated on January 14, 2010 in connection with the consummation of the transactions contemplated by that certain Asset Purchase and Sale Agreement dated as of December 21, 2009 by and between the Company and Escada US Subco, LLC, a Delaware limited liability company (“Purchaser”).

C. The Company desires to re-hire the Executive as an employee of the Company to carry out the duties and responsibilities described below, all on the terms and conditions hereinafter set forth, effective as of the Effective Date.

D. The Executive desires to accept such employment by the Company on the terms and conditions set forth in this Agreement as of the Effective Date.

E. This Agreement shall govern the employment relationship between the Executive and the Company from and after the Effective Date, and as of the Effective Date, supersedes and negates all previous agreements with respect to the relationship of the parties in an employment, consulting or any other capacity (including, without limitation, the Letter Agreement between the Company and the Executive dated June 5, 2008, as amended (the “Prior Letter Agreement”).

F. This Agreement and the Executive’s employment with the Company is specifically conditioned on the effectiveness of that certain amended and restated cost-sharing agreement, effective as of the Effective Date (the “Cost-Sharing Agreement”), by and between the Company, the Purchaser and the Executive.

G. This Agreement amends, restates and replaces the employment agreement submitted to the Bankruptcy Court for approval by motion of the Company on February 9, 2010.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals incorporated herein and the mutual covenants and promises contained herein and other good and valuable consideration, the

receipt and sufficiency of which are hereby expressly acknowledged, the parties agree as follows:

1. Retention and Duties.

1.1 Retention. The Company does hereby hire, engage and employ the Executive for the Period of Employment (as such term is defined in Section 2) on the terms and conditions expressly set forth in this Agreement and the Executive does hereby accept and agree to such hiring, engagement and employment, on the terms and conditions expressly set forth in this Agreement. Notwithstanding the foregoing, in the event the Executive revokes the release set forth in Section 5 of this Agreement, within seven (7) days after execution or such other period as prescribed by applicable law, this Agreement shall be of no further force and effect and the Prior Letter Agreement shall remain in effect.

1.2 Duties. During the Period of Employment, the Executive shall serve the Company as its President and Treasurer and shall have the powers, authorities, duties and obligations commensurate with such positions. During the Period of Employment, the Executive's principal duties and responsibilities shall be to be the Company's legal representative, maintain the books and records of the Company, prepare all necessary submissions required to be filed by the Company in accordance with the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, prepare a plan of liquidation for the Company (the "Plan") and related disclosure statement for the Company, marshal assets, review claims and negotiate and resolve objections to claims and assist the liquidation agent, upon his appointment, in connection with any of the above, and otherwise assist in the orderly liquidation of the Company's affairs, in consultation with the Company's bankruptcy counsel and the official committee of unsecured creditors in the Company's chapter 11 case, or its successors as set forth in the Plan or related documents (collectively, the "Creditors' Committee"). In addition, during the Period of Employment, the Executive shall perform advisory and transition services to Purchaser, as reasonably requested by the Purchaser and approved by the Company, in connection with the transfer of the Company's business and operations to the Purchaser, but only to the extent such services do not materially interfere with any of the Executive's principal duties and responsibilities hereunder. The Executive shall perform his duties and responsibilities subject to the corporate policies of the Company as they are in effect from time to time throughout the Period of Employment (including, without limitation, the Company's business conduct and ethics policies, as they may change from time to time).

1.3 No Other Employment; Minimum Time Commitment. During the Period of Employment, the Executive shall (a) devote the Executive's full business time, energy and skill to the performance of the Executive's duties for the Company (which shall include any services provided to Purchaser contemplated by this Agreement in the Executive's capacity as an employee of the Company), (b) perform such duties in a faithful, effective and efficient manner to the best of his

abilities and carry out all of the Company's policies and directives in a manner which will promote and develop the Company's best interests, and (c) hold no other employment. The Executive shall be entitled to 10 vacation days, 3 personal days and 3 sick days. Additionally, the Executive will be allowed to telecommute on occasion so long as it does not materially interfere with the performance of the Executive's duties hereunder.

1.4 No Breach of Contract. The Executive hereby represents to the Company that: (a) the execution and delivery of this Agreement by the Executive and the Company and the performance by the Executive of the Executive's duties hereunder do not and shall not constitute a breach of, conflict with, or otherwise contravene or cause a default under, the terms of any other agreement or policy to which the Executive is a party or otherwise bound or any judgment, order or decree to which the Executive is subject; (b) that the Executive has no information (including, without limitation, confidential information and trade secrets) relating to any other Person (as such term is defined in Section 4.6) which would prevent, or be violated by, the Executive entering into this Agreement or carrying out his duties hereunder; (c) the Executive is not bound by any employment, consulting, non-compete, confidentiality, trade secret or similar agreement (other than this Agreement) with any other Person; and (d) the Executive understands the Company will rely upon the accuracy and truth of the representations and warranties of the Executive set forth herein and the Executive consents to such reliance.

1.5 Location. The Executive's principal place of employment shall be at the Company's principal corporate office as it may be located from time to time. If, during the Period of Employment, the Company relocates its principal corporate office from its location on the Effective Date, the Company will continue to provide the Executive with substantially the same equipment (phone, computer and fax), communication systems (email, internet, electronic record access), and supplies that the Company provided to the Executive immediately prior to such relocation in order for the Executive to fully discharge his duties and responsibilities under this Agreement.

2. Period of Employment. The "Period of Employment" shall be a period of six (6) months commencing on the Effective Date and ending at the close of business on July 15, 2010 (the "Expiration Date"); *provided, however,* that this Agreement may be renewed, and the Period of Employment may be extended by mutual written agreement of the Executive, the Company and the Creditors' Committee prior to the Expiration Date. The term "Period of Employment" shall include any extension thereof pursuant to the preceding sentence. Notwithstanding the foregoing, the Period of Employment is subject to earlier termination as provided below in this Agreement. In the event the Executive becomes entitled to the benefits described in Section 4.4(b)(ii) or Section 4.4(c)(iii), then during the six (6) months following the Expiration Date or earlier Termination Date (as defined below), the Executive agrees to provide a notice, per Section 18 herein, to the Company within fifteen (15) days of accepting fulltime employment (the "Notice").

3. Compensation and Benefits.

- 3.1 Base Salary.** During the Period of Employment, the Company shall pay the Executive a base salary (the "Base Salary") at an annualized rate of Four Hundred Fifty Thousand Dollars (\$450,000.00). The Base Salary shall be paid in accordance with the customary payroll practices of the Company, but not less frequently than in semi-monthly installments, with the first installment payable on January 31, 2010. For avoidance of doubt, the Executive shall not be entitled to receive any bonus or any other form of incentive compensation during the Period of Employment.
- 3.2 Health Benefits.** During the Period of Employment, the Company will pay or reimburse the Executive for the amount of premiums the Executive is charged by the Purchaser to continue medical and dental coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), to the extent the Executive elects such continued coverage; provided that the Company's obligation to make any payment or reimbursement pursuant to this Section 3.2 shall cease upon any earlier date that the Purchaser is no longer obligated to offer COBRA continuation coverage to the Executive.
- 3.3 Reimbursement of Business Expenses.** The Executive is authorized to incur reasonable expenses in carrying out the Executive's duties for the Company under this Agreement and shall be entitled to reimbursement for all reasonable business expenses the Executive incurs during the Period of Employment in connection with carrying out the Executive's duties for the Company (including travel within New York City), subject to review by the Creditors' Committee and provided that the Executive promptly provides any and all documentation reasonably required by the Creditors' Committee to support any reimbursement due to the Executive. Notwithstanding the foregoing, the Executive shall be solely responsible for commuting costs incurred by the Executive in connection with his travel to and from the Company's headquarters (including without limitation, bus fare, train fare, parking costs and tolls).

4. Termination.

- 4.1 Termination by the Company.** The Executive's employment by the Company, and the Period of Employment, may be terminated at any time by the Company: (a) with Cause (as such term is defined in Section 4.6) with the written consent of the Creditors' Committee, or (b) without Cause prior to May 15, 2010 with the written consent of the Creditors' Committee and Purchaser, or (c) without Cause on or after May 15, 2010 with the written consent of the Creditors' Committee, or (d) in the event of the Executive's death, or (e) in the event that the Executive has a Disability (as such term is defined in Section 4.6).
- 4.2 Termination by the Executive.** The Executive's employment by the Company, and the Period of Employment, may be terminated by the Executive with no less than ninety (90) days advance written notice to the Company (such notice to be

delivered in accordance with Section 18). In such case, the Executive shall only be entitled to, and the Company shall only be liable for, the Accrued Obligations (as such term is defined in Section 4.6).

4.3 Termination Upon Expiration of Period of Employment. Unless terminated earlier pursuant to Sections 4.1 or 4.2, the Executive's employment by the Company shall terminate automatically on the expiration of the Period of Employment.

4.4 Benefits Upon Termination. If the Executive's employment by the Company is terminated during the Period of Employment for any reason by the Company, pursuant to Section 4.1, or by the Executive, or upon the expiration of the Period of Employment (in any case, the date that the Executive's employment by the Company terminates is referred to as the "Termination Date"), the Company shall have no further obligation to make or provide to the Executive, and the Executive shall have no further right to receive or obtain from the Company, any payments or benefits except as follows:

(a) The Company shall pay the Executive (or, in the event of his death, the Executive's estate) any Accrued Obligations (as such term is defined in Section 4.6);

(b) If the Executive's employment by the Company terminates upon the expiration of the Period of Employment, the Executive shall be entitled to the following benefits, subject to Section 4.5:

(i) With regard to the life insurance policy (Policy No. 9834933) issued by Massachusetts Mutual Life Insurance Company ("MassMutual") to the Executive on September 27, 1995 (the "Split Dollar Policy") and the associated split dollar life insurance agreement between the Executive and the Company entered into concurrently therewith (the "Split Dollar Agreement");

(A) The Executive shall pay the Company an amount equal to the product of the premium paid by the Company for coverage under the Split Dollar Policy for the policy period that includes the expiration date of the Period of Employment times a fraction, the numerator of which is the number of calendar days between the Termination Date (with the first day being the day after the Termination Date) and the last day of the policy period for the year in which the Termination Date occurs and the denominator of which is 365, which payment represents reimbursement of that portion of the premium the Company has already paid that is attributable to coverage under the Split Dollar Policy from the Termination Date until the last day of the policy period for the year in which the Termination Date occurs. (For example, if the Termination Date is July 15, 2010, the Executive shall pay the Company an amount equal to \$3,428, 73 days/365 days x \$17,390.) In addition, the Executive

shall pay to the Company the amount that would have been refunded by MassMutual if the “Total Death Benefit” under the Split Dollar Policy were to be reduced to One Million Dollars (\$1,000,000.00) on the Termination Date (the “Regular Split Dollar Rebate”), taking in to account the dividend payable on such date.

(B) The Company shall accept (i) the payments in clause (A) above and (ii) payment in an amount equal to the sum of Two Hundred Forty-Eight Thousand Two Hundred Dollars (\$248,200) minus the payments in clause (A) above, with such amount to be paid by Purchaser pursuant to the Cost-Sharing Agreement, in full satisfaction of the Executive’s obligation under the Split Dollar Agreement to reimburse the Company upon the termination of the Executive’s employment by the Company for all premiums the Company has paid under the Split Dollar Policy up to the Termination Date. Upon the Executive’s satisfaction of its payment obligations under clause (A) above and the Purchaser’s satisfaction of its payment obligations under the Cost-Sharing Agreement, the Company shall release and discharge the collateral assignment granted to it under the Split Dollar Agreement as security for such obligations and the Company agrees to promptly execute and deliver such agreements, documents or instruments as may be required by MassMutual to release and cancel the Company’s interest in the Split Dollar Policy. In addition, the Company agrees if so requested by Executive to instruct MassMutual to reduce the “Total Death Benefit” under the Split Dollar Policy to One Million Dollars (\$1,000,000.00) effective as of the Termination Date in order for the Company to obtain payment of the Regular Split Dollar Rebate.

(ii) The Company will pay or reimburse the Executive for the amount of premiums the Executive is charged by the Purchaser to continue medical and dental coverage pursuant to the COBRA for the six (6) month period following the Termination Date, to the extent the Executive had elected such continued coverage; provided that the Company’s obligation to make any payment or reimbursement pursuant to this Section 4.4(b)(ii) shall cease on any earlier date that the Purchaser is no longer obligated to offer COBRA continuation coverage to the Executive. The Company’s obligation under this Section is conditioned upon the Purchaser’s obligation to reimburse the Company for one-half of such costs pursuant to the Cost-Sharing Agreement.

(c) If, during the Period of Employment, the Executive’s employment with the Company is terminated by the Company under and in accordance with Section 4.1(b) or Section 4.(c), the Executive shall be entitled to the following benefits, subject to Section 4.5:

(i) The Company shall pay the Executive (in addition to the Accrued Obligations), subject to tax withholding and other authorized deductions,

an amount equal to the Base Salary to which the Executive would have otherwise been entitled to receive from the Termination Date through the Expiration Date (or, if the Period of Employment has been extended pursuant to Section 2, the last day of the Period of Employment) had the Executive's employment not terminated prior to the expiration of the Period of Employment.

(ii) With regard to the Split Dollar Policy and the Split Dollar Agreement:

(A) The Executive shall pay the Company an amount equal to the product the premium paid by the Company for coverage under the Split Dollar Policy for the policy period that includes the Termination Date times a fraction, the numerator of which is the number of calendar days between the Termination Date (with the first day being the day after the Termination Date) and the last day of the policy period for the year in which the Termination Date occurs and the denominator of which is 365, which payment represents reimbursement of that portion of the premium the Company has already paid that is attributable to coverage under the Split Dollar Policy from the Termination Date until the last day of the policy period for the year in which the Termination Date occurs. (For example, if the Period of Employment is extended, the Termination Date is December 31, 2010 and the premium paid by the Company in 2010 for the policy period commencing on September 27, 2010 and ending on September 26, 2011 was \$17,390, the Executive shall pay the Company an amount equal to $\$12,816, 269/365 \times \$17,390$.) In addition, the Executive shall pay to the Company the Regular Split Dollar Rebate, taking in to account the dividend payable on such date.

(B) The Company shall accept (i) the payments in clause (A) above and (ii) payment in an amount equal to the sum of Two Hundred Forty-Eight Thousand Two Hundred Dollars (\$248,200) minus the payments in clause (A) above, with such amount to be paid by Purchaser pursuant to the Cost-Sharing Agreement, in full satisfaction of the Executive's obligation under the Split Dollar Agreement to reimburse the Company upon the termination of the Executive's employment by the Company for all premiums the Company has paid under the Split Dollar Policy up to the Termination Date. Upon the Executive's satisfaction of its payment obligations under clause (A) above and the Purchaser's satisfaction of its payment obligations under the Cost-Sharing Agreement, the Company shall release and discharge the collateral assignment granted to it under the Split Dollar Agreement as security for such obligations and the Company agrees to promptly execute and deliver such agreements, documents or instruments as may be required by MassMutual to release and cancel the Company's interest in the Split Dollar Policy. In addition, the Company agrees if so requested by Executive to instruct MassMutual to reduce the "Total Death Benefit" under the Split Dollar Policy to One

Million Dollars (\$1,000,000.00) effective as of the Termination Date in order for the Company to obtain payment of the Regular Split Dollar Rebate.

(iii) The Company will pay or reimburse the Executive for the amount of premiums the Executive is charged by the Purchaser to continue medical and dental coverage pursuant to the COBRA for the six (6) month period following the Termination Date, to the extent the Executive had elected such continued coverage; provided that the Company's obligation to make any payment or reimbursement pursuant to this Section 4.4(c)(iii) shall cease on any earlier date that the Purchaser is no longer obligated to offer COBRA continuation coverage to the Executive. The Company's obligation under this Section is conditioned upon the Purchaser's obligation to reimburse the Company for one-half of such costs pursuant to the Cost-Sharing Agreement.

For the avoidance of doubt, if, during the Period of Employment, the Executive's employment with the Company is terminated by the Company, pursuant to Section 4.1, for Cause, due to his death or a good faith determination by the Creditors' Committee that the Executive has incurred a Disability, or by the Executive for any reason, the Executive shall only be entitled to receive the Accrued Obligations.

4.5 Supplemental Release; Exclusive Remedy.

(a) This Section 4.5(a) shall apply notwithstanding anything else contained in this Agreement. As a condition precedent to any Company obligation to the Executive pursuant to Section 4.4(b) or 4.4(c), the Executive shall have provided the Company (on or promptly following the Termination Date) with a valid, executed Supplemental Release Agreement in the form attached hereto as Exhibit A (or such other form, substantially similar to the form attached hereto as Exhibit A, as the Company may reasonably require in the circumstances) the "Supplemental Release"), and such Supplemental Release shall have not been revoked by the Executive pursuant to any revocation rights afforded by applicable law.

(b) The Executive agrees that the payments and benefits contemplated by Section 4.4 shall constitute the exclusive and sole remedy for any termination of his employment and the Executive covenants not to assert or pursue any other remedies, at law or in equity, with respect to any termination of employment. The Company and the Executive acknowledge and agree that there is no duty of the Executive to mitigate damages under this Agreement. All amounts paid to the Executive pursuant to Section 4.4 shall be paid without regard to whether the Executive has taken or takes actions to mitigate damages. Unless otherwise agreed to by the parties, the Executive agrees to resign, on the Termination Date, as an officer and director of the Company and any Affiliate of the Company, and as a fiduciary of any benefit plan of the Company or any Affiliate of the

Company, and to promptly execute and provide to the Company any further documentation, as requested by the Company, to confirm such resignation.

4.6 Certain Defined Terms.

(a) As used herein, “Accrued Obligations” means:

- (i) any Base Salary that had accrued but had not been paid (including accrued and unpaid vacation time) on or before the Termination Date;
- (ii) any reimbursement due to the Executive pursuant to Section 3.2 for COBRA premiums incurred by the Executive on or before the Termination Date; and
- (iii) any reimbursement due to the Executive pursuant to Section 3.3 for expenses reasonably incurred by the Executive on or before the Termination Date and documented and approved in accordance with Section 3.3.

(b) As used herein, “Affiliate” of the Company means a Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company. As used in this definition, the term “control,” including the correlative terms “controlling,” “controlled by” and “under common control with,” means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person.

(c) As used herein, “Cause” shall mean based on the information then known to the Company and to the Creditors’ Committee, that one or more of the following has occurred:

- (i) the Executive has committed a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction);
- (ii) the Executive has engaged in acts of fraud, dishonesty or other acts of willful misconduct in the course of his duties hereunder;
- (iii) the Executive willfully fails to perform or uphold his duties under this Agreement and/or willfully fails to comply with reasonable directives of the Company after the Company has delivered to the Executive a written demand for performance which describes the basis for its belief that the Executive has violated his obligations to the Company or failed to comply with any such directives, as applicable, and the Executive fails to cure such violation or failure within a reasonable amount of time after receipt of such notice; provided that the foregoing notice and opportunity

to cure shall not apply to more than one instance of the same or similar violations or failures; or

(iv) any breach by the Executive of any provision of Section 6 or any material breach by the Executive of any other contract he is a party to with the Company or any of its Affiliates.

(d) As used herein, “Disability” shall mean a physical or mental impairment which renders the Executive unable to perform the essential functions of his employment with the Company, even with reasonable accommodation that does not impose an undue hardship on the Company, for more than ninety (90) days in any 180-day period, unless a longer period is required by federal or state law, in which case that longer period would apply.

(e) As used herein, the term “Person” shall be construed broadly and shall include, without limitation, an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

4.7 Notice of Termination. Any termination of the Executive’s employment under this Agreement shall be communicated by written notice of termination from the terminating party to the other party. This notice of termination must be delivered in accordance with Section 18 and must indicate the specific provision(s) of this Agreement relied upon in effecting the termination.

5. Release; ADEA Waiver.

5.1 Release. The Executive, on behalf of himself, his descendants, dependents, heirs, executors, administrators, assigns, and successors, and each of them, hereby covenants not to sue and fully releases and discharges the Company and each of its parents, subsidiaries and affiliates, past and present, as well as its and their trustees, directors, officers, members, managers, partners, agents, attorneys, insurers, employees, stockholders, representatives, assigns, and successors, past and present, and each of them (hereinafter together and collectively referred to as the “Releasees”) with respect to and from any and all claims, wages, demands, rights, liens, agreements or contracts (written or oral), covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorneys’ fees, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden (each, a “Claim”), which he now owns or holds or he has at any time heretofore owned or held or may in the future own or hold as against any of said Releasees (including, without limitation, any Claim arising out of or related to the Prior Letter Agreement, any Claim arising out of or in any way connected with the Executive’s prior service as an officer, director, employee, member or manager of any Releasee, the Executive’s separation from his position as an officer, director, employee, manager and/or member, as

applicable, of any Releasee, or any other transactions, occurrences, acts or omissions or any loss, damage or injury whatever), resulting from any act or omission by or on the part of said Releasees, or any of them, committed or omitted prior to the date of this Agreement including, without limiting the generality of the foregoing, any Claim under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, or any other federal, state or local law, regulation, or ordinance, or any Claim for severance pay, bonus, sick leave, holiday pay, vacation pay, life insurance, health or medical insurance or any other fringe benefit, workers' compensation or disability (the "Release"); *provided, however*, that the foregoing release does not apply to any obligation of the Company to the Executive pursuant to any of the following: (a) any obligation created by or arising out of this Agreement; (b) any right to indemnification that the Executive may have pursuant to the Bylaws of any of the Company, its Certificate of Incorporation or under any written indemnification agreement with the Company (or any corresponding provision of any subsidiary or affiliate of the Company) or under applicable state law with respect to any loss, damages or expenses (including but not limited to attorneys' fees to the extent otherwise provided) that the Executive may in the future incur with respect to his service as an employee, officer or director of the Company or any of its subsidiaries or affiliates; (c) any rights that the Executive may have to insurance coverage for such losses, damages or expenses under any directors and officers liability insurance policy of the Company or any of its subsidiaries or affiliates; or (d) any rights to payment of benefits that the Executive may have under a retirement plan or plans intended to qualify under Section 401(a) of the Code. In addition, this Release does not cover any Claim that cannot be so released as a matter of applicable law. The Executive acknowledges and agrees that he has received any and all leave and other benefits that he has been and is entitled to pursuant to the Family and Medical Leave Act of 1993.

- 5.2 Unknown Claims.** It is the intention of the Executive in executing this Agreement that the same shall be effective as a bar to each and every Claim hereinabove specified. Executive acknowledges that he may hereafter discover Claims or facts in addition to or different from those which Executive now knows or believes to exist with respect to the subject matter of this Agreement and which, if known or suspected at the time of executing this Agreement, may have materially affected his decision to enter into this Agreement. Nevertheless, the Executive hereby waives any right, Claim or cause of action that might arise as a result of such different or additional Claims or facts.
- 5.3 ADEA Waiver.** The Executive expressly acknowledges and agrees that by entering into this Agreement, he is waiving any and all rights or claims that he may have arising under the Age Discrimination in Employment Act of 1967 (the "ADEA"), which have arisen on or before the date of execution of this Agreement. The Executive further expressly acknowledges and agrees that:

- (a) In return for this Agreement, he will receive consideration beyond that which he was already entitled to receive before entering into this Agreement;
- (b) He is hereby advised in writing by this Agreement to consult with an attorney before signing this Agreement;
- (c) He was given a copy of this Agreement on March 9, 2010 and informed that he had twenty-one (21) days within which to consider the Agreement and that if he wished to execute this Agreement prior to expiration of such 21-day period, he should execute the Acknowledgement and Waiver attached hereto as Exhibit B;
- (d) Nothing in this Agreement prevents or precludes the Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs from doing so, unless specifically authorized by federal law; and
- (e) He was informed that he has seven (7) days following the date of execution of this Agreement in which to revoke this Agreement, and this Agreement will become null and void if the Executive elects revocation during that time. Any revocation must be in writing and must be received by the Company during the seven-day revocation period. In the event that the Executive exercises his right of revocation, neither the Company nor the Executive will have any obligations under this Agreement.

5.4 No Transferred Claims. The Executive warrants and represents that the Executive has not heretofore assigned or transferred to any person not a party to this Agreement any released matter or any part or portion thereof and he shall defend, indemnify and hold the Company and each of its Affiliates harmless from and against any claim (including the payment of attorneys' fees and costs actually incurred whether or not litigation is commenced) based on or in connection with or arising out of any such assignment or transfer made, purported or claimed.

6. Protective Covenants.

6.1 Confidential Information; Inventions.

- (a) The Executive shall not disclose or use at any time, either during the Period of Employment or thereafter, any Confidential Information (as defined below) of which the Executive is or becomes aware, whether or not such information is developed by him, except to the extent that such disclosure or use is directly related to and required by the Executive's performance in good faith of duties for the Company. The Executive will take all appropriate steps to safeguard Confidential Information in his possession and to protect it against disclosure, misuse, espionage, loss and theft. The Executive shall deliver to the Company at the termination of the Period of Employment, or at any time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) relating to

the Confidential Information which the Executive may then possess or have under his control. Notwithstanding the foregoing, the Executive may truthfully respond to a lawful and valid subpoena or other legal process, but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought, and shall assist the Company and such counsel in resisting or otherwise responding to such process.

(b) As used in this Agreement, the term “Confidential Information” means information that is not generally known to the public and that is used, developed or obtained by the Company in connection with its business, including, but not limited to, information, observations and data obtained by the Executive while employed by the Company or any predecessors thereof (including those obtained prior to the Effective Date) concerning (i) the business or affairs of the Company (or such predecessors), (ii) products or services, (iii) fees, costs and pricing structures, (iv) designs, (v) analyses, (vi) drawings, photographs and reports, (vii) computer software, including operating systems, applications and program listings, (viii) flow charts, manuals and documentation, (ix) data bases, (x) accounting and business methods, (xi) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (xii) customers and clients and customer or client lists, (xiii) other copyrightable works, (xiv) all production methods, processes, technology and trade secrets, and (xv) all similar and related information in whatever form. Confidential Information will not include any information that has been published (other than a disclosure by the Executive in breach of this Agreement) in a form generally available to the public prior to the date the Executive proposes to disclose or use such information. Confidential Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

6.2 Enforcement. The Executive agrees that the Executive’s services are unique and that he has access to Confidential Information. Accordingly, without limiting the generality of Section 17, the Executive agrees that a breach by the Executive of any of the covenants in this Section 6 would cause immediate and irreparable harm to the Company that would be difficult or impossible to measure, and that damages to the Company for any such injury would therefore be an inadequate remedy for any such breach. Therefore, the Executive agrees that in the event of any breach or threatened breach of any provision of this Section 6, the Company shall be entitled, in addition to and without limitation upon all other remedies the Company may have under this Agreement, at law or otherwise, to obtain specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Section 6 or any provisions of the Agreement or applicable law that require the Executive to account for and pay over to the Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a breach of this Section 6 if and when

final judgment of a court of competent jurisdiction is so entered against the Executive.

7. **Withholding Taxes.** Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such federal, state and local income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.
8. **Successors and Assigns.**
 - (a) This Agreement is personal to the Executive and without the prior written consent of the Company and the Creditors' Committee shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall be binding on, inure to the benefit of and be enforceable by or against the Executive's legal representatives.
 - (b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.
9. **Number and Gender; Examples.** Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates.
10. **Section Headings.** The section headings of, and titles of paragraphs and subparagraphs contained in, this Agreement are for the purpose of convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.
11. **Governing Law.** THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE STATE OF NEW YORK WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.
12. **Severability.** It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent

jurisdiction to be invalid, prohibited or unenforceable under any present or future law, and if the rights and obligations of any party under this Agreement will not be materially and adversely affected thereby, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable; furthermore, in lieu of such invalid or unenforceable provision there will be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn (as to geographic scope, period of duration or otherwise) so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

13. **Entire Agreement.** This Agreement embodies the entire agreement of the parties hereto respecting the matters within its scope. This Agreement supersedes all prior and contemporaneous agreements of the parties hereto that directly or indirectly bears upon the subject matter hereof. Any prior negotiations, correspondence, agreements, proposals or understandings relating to the subject matter hereof shall be deemed to have been merged into this Agreement, and to the extent inconsistent herewith, such negotiations, correspondence, agreements, proposals, or understandings shall be deemed to be of no force or effect. There are no representations, warranties, or agreements, whether express or implied, or oral or written, with respect to the subject matter hereof, except as expressly set forth herein. For purposes of clarity, the Prior Letter Agreement is superseded in its entirety and is of no further force or effect after the Effective Date.
14. **Modifications.** This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by both of the parties hereto.
15. **Waiver.** Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.
16. **Waiver of Jury Trial.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.
17. **Remedies.** Each of the parties to this Agreement and any such person or entity granted rights hereunder whether or not such person or entity is a signatory hereto shall be

entitled to enforce its rights under this Agreement specifically to recover damages and costs for any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that each party may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance, injunctive relief and/or other appropriate equitable relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Agreement. Each party shall be responsible for paying its own attorneys' fees, costs and other expenses pertaining to any such legal proceeding and enforcement regardless of whether an award or finding or any judgment or verdict thereon is entered against either party.

18. **Notices.** Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via telecopier, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via telecopier, five days after deposit in the U.S. mail and one day after deposit with a reputable overnight courier service.

if to the Company:

EUSA Liquidation Inc.
(formerly, Escada (USA) Inc.)
c/o Gerald C. Bender, Esq.
O'Melveny & Myers LLP
Times Square Tower
7 Times Square
New York, NY 10036
Phone: 212-326-2000
Fax: 212-326-2061

with a copy to Counsel to the Creditors' Committee:
William Silverman, Esq.
Otterbourg, Steindler, Houston & Rosen, P.C.
230 Park Avenue
New York, New York 10169

if to the Executive, to the address most recently on file in the payroll records of the Company.

19. **Section 409A.**

(a) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any

amounts or benefits upon or following a termination of employment unless such termination is also a “separation from service” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and, for purposes of any such provision of this Agreement, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.”

(b) The provisions of this paragraph (b) shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code. If the Executive is a “specified employee” within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Executive’s termination of employment, the Executive shall not be entitled to any payment or benefit pursuant to Section 4.4(b) or (c) until the earlier of (i) the date which is six (6) months after his termination of employment for any reason other than death, or (ii) the date of the Executive’s death. Any amounts otherwise payable to the Executive upon or in the six (6) month period following the Executive’s termination of employment that are not so paid by reason of this Section 19(b) shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Executive’s termination of employment (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Executive’s death).

(c) To the extent that any benefits pursuant to Section 3.2, 3.3 or 4.4(b)(ii) are taxable to the Executive, any reimbursement payment due to the Executive pursuant to such provision shall be paid to the Executive on or before the last day of the Executive’s taxable year following the taxable year in which the related expense was incurred. The benefits pursuant to Section 3.2, 3.3 or 4.4(b)(ii) are not subject to liquidation or exchange for another benefit and the amount of such benefits that the Executive receives in one taxable year shall not affect the amount of such benefits that the Executive receives in any other taxable year.

(d) It is intended that any amounts payable under this Agreement and the Company’s and the Executive’s exercise of authority or discretion hereunder shall comply with and avoid the imputation of any tax, penalty or interest under Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent.

20. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.
21. **Legal Counsel; Mutual Drafting.** Each party recognizes that this is a legally binding contract and acknowledges and agrees that they have had the opportunity to consult with legal counsel of their choice. Each party has cooperated in the drafting, negotiation and

preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such language. The Executive agrees and acknowledges that he has read and understands this Agreement, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has had ample opportunity to do so.

22. **Recitals.** Recitals A-E are hereby incorporated into this Agreement in their entirety.

[Remainder of page has been left intentionally blank.]

IN WITNESS WHEREOF, the Company and the Executive have executed this Agreement as of the Effective Date.

“COMPANY”

EUSA LIQUIDATION INC.

(formerly, Escada (USA) Inc.),
a Delaware corporation

By: _____

Name: CHRISTIAN D. MARQUES

Title: PRESIDENT & TREASURER

“EXECUTIVE”

Christian D. Marques

EXHIBIT A

SUPPLEMENTAL RELEASE AGREEMENT

Christian D. Marques (“Executive”) and EUSA Liquidation Inc. (formerly, Escada (USA) Inc.), a Delaware corporation (the “Company”) entered into that certain Amended and Restated Employment Agreement, effective as of January 15, 2010 (the “Employment Agreement”). Capitalized terms in this Supplemental Release Agreement are used as defined in the Employment Agreement if not otherwise defined herein.

1. Release. Executive, on behalf of himself, his descendants, dependents, heirs, executors, administrators, assigns, and successors, and each of them, hereby covenants not to sue and fully releases and discharges the Company and each of its parents, subsidiaries and affiliates, past and present, as well as its and their trustees, directors, officers, members, managers, partners, agents, attorneys, insurers, employees, stockholders, representatives, assigns, and successors, past and present, and each of them (hereinafter together and collectively referred to as the “Releasees”) with respect to and from any and all claims, wages, demands, rights, liens, agreements or contracts (written or oral), covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorneys’ fees, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden (each, a “Claim”), which he now owns or holds or he has at any time heretofore owned or held or may in the future own or hold as against any of said Releasees (including, without limitation, any Claim arising out of or in any way connected with Executive’s service as an officer, director, employee, member or manager of any Releasee, Executive’s separation from his position as an officer, director, employee, manager and/or member, as applicable, of any Releasee, or any other transactions, occurrences, acts or omissions or any loss, damage or injury whatever), resulting from any act or omission by or on the part of said Releasees, or any of them, committed or omitted prior to the date of this Supplemental Release Agreement including, without limiting the generality of the foregoing, any Claim under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, or any other federal, state or local law, regulation, or ordinance, or any Claim for severance pay, bonus, sick leave, holiday pay, vacation pay, life insurance, health or medical insurance or any other fringe benefit, workers’ compensation or disability (the “Release”); *provided, however*, that the foregoing release does not apply to any obligation of the Company to Executive pursuant to any of the following: (1) any obligation created by or arising out of the Employment Agreement for which satisfaction has not been acknowledged; (2) any right to indemnification that Executive may have pursuant to the Bylaws of the Company, its Certificate of Incorporation or under any written indemnification agreement with the Company (or any corresponding provision of any subsidiary or affiliate of the Company) or under applicable state law with respect to any loss, damages or expenses (including but not limited to attorneys’ fees to the extent otherwise provided) that Executive may in the future incur with respect to his service as an employee, officer or director of the Company or any of its subsidiaries or affiliates; (3) any rights that Executive may have to insurance coverage for such losses, damages or expenses under any directors and officers liability insurance policy of the Company or any of its subsidiaries or affiliates; or (4) any rights to payment of benefits that Executive may have under a retirement plan or plans intended to qualify under Section 401(a) of

the Code. In addition, this Release does not cover any Claim that cannot be so released as a matter of applicable law. Executive acknowledges and agrees that he has received any and all leave and other benefits that he has been and is entitled to pursuant to the Family and Medical Leave Act of 1993. Executive acknowledges that he has received all amounts owed for his regular and usual salary (including, but not limited to, any bonus or other wages), and usual benefits through the date of this Supplemental Release Agreement.

2. Unknown Claims. It is the intention of Executive in executing this Supplemental Release Agreement that the same shall be effective as a bar to each and every Claim hereinabove specified. Executive acknowledges that he may hereafter discover Claims or facts in addition to or different from those which Executive now knows or believes to exist with respect to the subject matter of this Supplemental Release Agreement and which, if known or suspected at the time of executing this Supplemental Release Agreement, may have materially affected this settlement. Nevertheless, Executive hereby waives any right, Claim or cause of action that might arise as a result of such different or additional Claims or facts.

3. ADEA Waiver. Executive expressly acknowledges and agrees that by entering into this Supplemental Release Agreement, he is waiving any and all rights or claims that he may have arising under the Age Discrimination in Employment Act of 1967, which have arisen on or before the date of execution of this Supplemental Release Agreement. Executive further expressly acknowledges and agrees that:

(a) In return for this Supplemental Release Agreement, he will receive consideration beyond that which he was already entitled to receive before entering into this Supplemental Release Agreement;

(b) He is hereby advised in writing by this Supplemental Release Agreement to consult with an attorney before signing this Supplemental Release Agreement;

(c) He was given a copy of this Supplemental Release Agreement on [____], 2010 and informed that he had twenty-one (21) days within which to consider the Supplemental Release Agreement and that if he wished to execute this Supplemental Release Agreement prior to expiration of such 21-day period, he should execute the Acknowledgement and Waiver attached hereto as Exhibit A-1;

(d) Nothing in this Supplemental Release Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs from doing so, unless specifically authorized by federal law; and

(e) He was informed that he has seven (7) days following the date of execution of this Supplemental Release Agreement in which to revoke this Supplemental Release Agreement, and this Supplemental Release Agreement will become null and void if Executive elects revocation during that time. Any revocation must be in writing and must be received by the Company during the seven-day revocation period. In the event that Executive exercises his right of revocation, neither the Company nor Executive will have any obligations to make any payments or provide any benefits under Section 4.4(b) or (c) of the Agreement, as applicable.

4. No Transferred Claims. Executive warrants and represents that Executive has not heretofore assigned or transferred to any person not a party to this Supplemental Release Agreement any released matter or any part or portion thereof and he shall defend, indemnify and hold the Company and each of its affiliates harmless from and against any claim (including the payment of attorneys' fees and costs actually incurred whether or not litigation is commenced) based on or in connection with or arising out of any such assignment or transfer made, purported or claimed.

I have read the foregoing Supplemental Release Agreement and I accept and agree to the provisions it contains and hereby execute it voluntarily and will full understanding of its consequences.

EXECUTED this ____ day of _____, 2010, at _____ County,
_____.

Christian D. Marques

EXHIBIT A-1

ACKNOWLEDGEMENT AND WAIVER

I, Christian D. Marques, hereby acknowledge that I was given twenty-one (21) days to consider the foregoing Supplemental Release Agreement and voluntarily chose to sign the Supplemental Release Agreement prior to the expiration of the 21-day period.

I declare under penalty of perjury under the laws of the State of New York, that the foregoing is true and correct.

EXECUTED this _____ day of _____ 2010, at _____ County,
_____.

Christian D. Marques

EXHIBIT B

ACKNOWLEDGEMENT AND WAIVER

I, Christian D. Marques, hereby acknowledge that I was given twenty-one (21) days to consider the foregoing Amended and Restated Employment Agreement and voluntarily chose to sign the Amended and Restated Employment Agreement prior to the expiration of the 21-day period.

I declare under penalty of perjury under the laws of the State of New York, that the foregoing is true and correct.

EXECUTED this _____ day of _____ 2010, at _____ County,
_____.

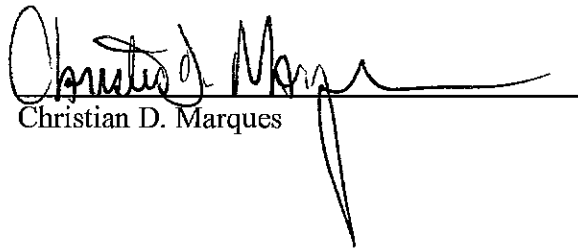
Christian D. Marques

ACKNOWLEDGEMENT AND WAIVER

I, Christian D. Marques, hereby acknowledge that I was given twenty-one (21) days to consider the foregoing Amended and Restated Employment Agreement and voluntarily chose to sign the Amended and Restated Employment Agreement prior to the expiration of the 21-day period.

I declare under penalty of perjury under the laws of the State of New York, that the foregoing is true and correct.

EXECUTED this 9th day of March, 2010 at New York County, New York.


Christian D. Marques