

Note 10. Leases, Commitments and Contingencies

The Company leases office, distribution, retail and manufacturing facilities and office equipment under operating leases, which expire at various dates through July 2013. Certain of the leases provide for renewal options and escalation clauses for real estate taxes and other occupancy costs. Rent expense for equipment and distribution, factory and office facilities under operating leases was approximately \$9.4 million, \$6.6 million and \$5.5 million in fiscal 2001, 2000 and 1999, respectively. Minimum annual rentals at January 31, 2001 under noncancelable operating leases which do not include escalations that will be based on increases in real estate taxes and operating costs are as follows:

	Year ending January 31, (In thousands):
2002	\$8,488
2003	5,856
2004	4,874
2005	4,436
2006	3,268
Thereafter	11,883
	<u>\$38,805</u>

Due to the nature of its business as a luxury consumer goods distributor, the Company is exposed to various commercial losses. The Company believes it is adequately insured against such losses.

Note 11. Employee Benefit Plans

The Company maintains an Employee Savings Plan under Section 401(k) of the Internal Revenue Code. Company contributions and expenses of administering the Employee Savings Plan amounted to \$528,000, \$556,000 and \$430,000 in fiscal 2001, 2000 and 1999, respectively.

Effective June 1, 1995, the Company adopted a defined contribution supplemental executive retirement plan ("SERP"). The SERP provides eligible executives with supplemental pension benefits in addition to amounts received under the Company's other retirement plan. The Company makes a matching contribution which vests equally over five years. During fiscal 2001, 2000 and 1999, the Company recorded an expense related to the SERP of approximately \$381,000, \$640,000 and \$338,000, respectively.

During fiscal 1999, the Company adopted a Stock Bonus Plan for all employees not in the SERP. Under the terms of this Stock Bonus Plan, the Company contributes a discretionary amount to the trust established under the plan. Each plan participant vests after five years in 100% of their respective pro-rata portion of such contribution. For fiscal 2001, 2000 and 1999 the Company recorded an expense of \$80,000, \$159,000 and \$209,000 respectively, related to this plan.