

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION



CAUSE NO FSD [x] OF 2020 (x)

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IN THE MATTER OF THE COMPANIES LAW (2020 REVISION)
AND IN THE MATTER OF TAILORED BRANDS WORLDWIDE PURCHASING CO.



To the Grand Court

WINDING UP PETITION



The humble petition of Tailored Brands Worldwide Purchasing Co, (the **Company**), an exempted company incorporated under the laws of the Cayman Islands, having its registered office at Centralis Cayman Limited, P.O. Box 1564, One Capital Place, 3rd Floor, Grand Cayman KY1-1110, Cayman Islands, shows that:

A. Preamble

1. The Company seeks the winding up of the Company pursuant to section 92(d) of the Companies Law (2013 Revision) (as amended) (the **Companies Law**) on the grounds that the Company is unable to pay its debts.

B. The Company

2. The Company was incorporated on 28 March 2019 as an exempted company with registration number 349441. Its registered office is at P.O. Box 1564, One Capital Place, 3rd Floor, Grand Cayman KY1-1110, Cayman Islands.
3. Pursuant to the Company's Memorandum of Association dated 28 March 2019, its authorised share capital is US\$50,000 divided into 50,000 shares of nominal or par value of US\$1.00 each.

4. The Company is part of the Tailored Brands group of companies (the **Group**) which is a leading, multi-national specialty retailer of men's tailored clothing and is the largest men's formalwear provider in the United States and Canada. The Group operates under various brands including the US brands, Men's Wearhouse, Jos. A. Bank, K&G Fashion Superstore, and the Canadian brand, Moores Clothing for Men.
5. It is the wholly owned subsidiary of The Men's Wearhouse, Inc. which, in turn, is wholly owned by the Group's parent company, Tailored Brands, Inc.
6. The Group has a number of operating subsidiaries in various US states and Canadian provinces, together with other entities in several other jurisdictions. Prior to recent steps taken to improve the Group's financial position, it operated approximately 1,450 retail stores throughout both the US and Canada and had approximately 20,000 employees across the Group.

The Company's business

7. The Company is the Group's provider of sourcing services pursuant to the terms of a sourcing agreement dated 31 May 2019 (the **Sourcing Agreement**). Further to the terms of the Sourcing Agreement, the Company provides certain entities within the Group with, *inter alia*, the following services:
 - (a) developing and expanding a reliable network of third-party suppliers;
 - (b) negotiating and contracting with suppliers;
 - (c) maintaining "on the ground" relationships with suppliers and monitoring their manufacturing activities;
 - (d) ensuring product quality standards are met;
 - (e) arranging for the transport of goods to relevant entities within the Group;
 - (f) purchasing finished merchandise and goods from suppliers; and
 - (g) selling finished goods to relevant entities within the Group.

8. In practice, the Sourcing Agreement works as follows. Entities within the Group would place orders with the Company which, in turn, would place "mirror" orders directly with the third party suppliers. The Company would receive goods from the suppliers and arrange for the shipment of those goods to the relevant Group entities in exchange for payment. The sum received by the Company consisted of the purchase price of the goods (including all applicable taxes and duties), together with a mark-up of 8%, and it is this sum which the Company would then use to meet its payment obligations to third party suppliers.
9. As a result of the operation of the Sourcing Agreement, the Company currently has liabilities in excess of US\$16 million. By contrast, the Company has, as at 4 July 2020, cash in the amount of US\$211,176.
10. Due to the financial position of the Group, and in particular the counterparties to the Sourcing Agreement, payments to the Company have halted. This, together with the Company's relatively minimal cash assets, means that the Company is unable to discharge its liabilities, now or in the near future.
11. Accordingly, there is no means by which the Company is able to meet its obligations and, as a result, it is, or is likely to become, unable to pay its debts within the meaning of section 92(d) of the Companies Law and is liable to be wound up.

YOUR PETITIONER THEREFORE HUMBLY PRAYS:

- (a) That the Company shall be wound up by the Court in accordance with the Companies Law (2020 Revision).
- (b) Gordon MacRae of Kalo Advisors and Holly Etlin of AlixPartners, LLP, be appointed as the joint official liquidators of the Company (the JOLs).
- (c) The JOLs shall not be required to give security for their appointment.

- (d) The JOLs shall have the power to act jointly and severally in their capacity as joint official liquidators of the Company.
- (e) The JOLs are hereby authorised to take such steps as may be necessary or expedient for the protection of the Company's assets, and for that purpose may exercise any of the powers specified in Part I and II of the Third Schedule to the Companies Law (2013 Revision); and, for the avoidance of doubt, such powers may be exercised within and outside of the Cayman Islands. Specifically, but without prejudice to the generality of the foregoing, the JOLs shall have power to:
- i) bring or defend any action or other legal proceeding in the name and on behalf of the Company;
 - ii) enter into discussions and/or negotiations for and on behalf of the Company for the purpose of, but not limited to:
 - a. restructuring the Company's business and operations;
 - b. restructuring and/or rescheduling the Company's indebtedness; and
 - c. making any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging themselves to have any claim (whether present or future, certain or contingent, ascertained or sounding only in damages) against the Company or for which the Company may be rendered liable;
 - iii) take any such action as may be necessary or desirable to obtain recognition of their appointment in any other relevant jurisdiction;
 - iv) engage Attorneys and other professionally qualified persons to assist them in the performance of their functions; and
 - v) engage staff (whether or not as employees of the Company) to assist them in the performance of their functions.

- (f) The JOLs shall be at liberty to apply for further directions concerning their functions and the exercise or proposed exercise of their powers.
- (g) The JOLs shall within 7 business days notify all known creditors and shareholders of their appointment and there shall be no other requirement to advertise.
- (h) No suit, action or other proceeding shall be proceeded with or commenced against the Company except with the leave of the Court and subject to such terms as the Court may impose.
- (i) No disposition of the Company's property by or with the authority of the JOLs in carrying out of their duties and functions and exercise of their powers under this Order shall be voided by virtue of section 99 of the Companies Law (2013 Revision). For the avoidance of doubt, any payments made into or out of the bank account(s) of the Company in the ordinary course of business of the Company between the date of the presentation of the Petition herein and the date of this Order shall not be avoided by virtue of section 99 of the Companies Law (2020 Revision).
- (j) The remuneration and expenses of the JOLs shall be paid out of the assets of the Company.
- (k) The costs of and incidental to the Petition shall be paid from the assets of the Company as expenses within the liquidation.
- (l) Such further or other relief as this Honourable Court deems appropriate.

AND your petitioner will ever pray etc.

Dated the 2nd day of August 2020



MOURANT OZANNES

Attorneys-at-law for the Petitioner

This **Petition** is presented by Mourant Ozannes, Attorneys-at-Law for the Company whose address for service is PO Box 1348, 4th Floor, 94 Solaris Avenue, Camana Bay, Grand Cayman KY1-1108 (Ref: 8049178/78604765/1)