Court File No: ______________

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED STATES BANKRUPTCY COURT, SOUTHERN DISTRICT OF TEXAS, HOUSTON DIVISION WITH RESPECT TO THE COMPANIES LISTED AT SCHEDULE "A" HEREOF

AN APPLICATION OF MOORES THE SUIT PEOPLE CORP. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

REPORT OF GRANT THORNTON LIMITED AS PROPOSED INFORMATION OFFICER

AUGUST 5, 2020

GrantThornton

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INTRODUCTION

1. On August 2, 2020, Moores The Suit People Corp. ("**Moores Suit**" or the "**Foreign Representative**") and the other companies listed on **Schedule "A"** hereof (collectively, the "**Chapter 11 Debtors**"), commenced proceedings under Chapter 11 of Title 11 of the *United States Code* in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "**US Court**") (the "**US Bankruptcy Proceedings**").

2. On August 3, 2020, the US Court heard the Chapter 11 Debtors' first day motions and granted numerous orders (collectively, the "**First Day Orders**").

3. The purpose of the US Bankruptcy Proceedings and the proposed Canadian recognition proceeding is to provide a stabilized environment for the Chapter 11 Debtors to continue

to operate while they implement key operational and restructuring initiatives led by the Chapter 11 Debtors and their Chief Restructuring Officer, Holly Etlin of Alix Partners (the "**CRO**").

4. At this time, the Foreign Representative is making an application to the Ontario Superior Court of Justice (Commercial List) (the "**Ontario Court**") for recognition of the US Bankruptcy Proceedings under Part IV of the *Companies' Creditors Arrangement Act* ("**CCAA**") pursuant to two proposed orders (jointly, the "**Recognition Orders**"):

   (a) the initial recognition order which, *inter alia*, recognizes the US Bankruptcy Proceedings as a "*foreign main proceeding*" and recognizes the Foreign Representative as the "*foreign representative*", as defined in section 45 of the CCAA, stays all proceedings against the Chapter 11 Debtors, and prevents any property within Canada from being sold other than through the ordinary course; and

   (b) the supplemental order which, *inter alia*, appoints Grant Thornton Limited ("**GTL**") as Information Officer, recognizes the First Day Orders issued by the US Court in the US Bankruptcy Proceedings, orders a broad stay of proceedings as set out therein and grants the Administration Charge and the DIP ABL Charge (as defined in the Recognition Orders).

5. This report ("**Report**") is filed by GTL in its capacity as proposed Information Officer (the "**Proposed Information Officer**") in the Canadian recognition proceedings.

PURPOSE OF THIS REPORT

6. The purposes of this Report are as follows:

(a) provide GTL's qualifications to act as Information Officer;

(b) provide background information about the Chapter 11 Debtors and the US Bankruptcy Proceedings;

(c) provide an overview on the financial position of the Canadian Chapter 11 Debtors (defined below), being the Foreign Representative and its shareholder, MRGC (as defined below);

(d) provide a summary of the First Day Orders for which the Ontario Court recognition is sought;

(e) provide information regarding the debtor-in-possession asset based lending credit facility among the Chapter 11 Debtors and JPMorgan Chase Bank, N.A (the "**DIP ABL Agent**"), as agent for and on behalf of itself and other lenders (collectively, the "**DIP ABL Lenders**") (the "**DIP ABL Facility**") and potential implications on the stakeholders of the Canadian Chapter 11 Debtors;

(f) summarize the rationale for the proposed Administration Charge and DIP ABL Charge (both defined herein);

(g) provide an overview of the Chapter 11 Debtors' key restructuring initiatives; and

(h) recommend that the Ontario Court grant the relief sought by the Foreign Representative.

SCOPE AND TERMS OF REFERENCE

7. The information contained in this Report has been obtained by the Proposed Information Officer in the short time since it was engaged from the records of the Chapter 11 Debtors, publicly available information, and/or is based upon discussions with, and representations

made by the Chapter 11 Debtors' financial advisors and other professional advisors retained in this matter. The information has not been audited or reviewed by the Proposed Information Officer as to its accuracy or completeness, and the reader is therefore cautioned that the Proposed Information Officer does not provide any form of assurance with respect to the accuracy of any financial information presented in this Report or relied upon in preparing this Report, and this Report may not disclose all significant matters about the Chapter 11 Debtors.

8. This Report has been prepared for the use of the Ontario Court and the Foreign Representative's stakeholders as general information relating to the Foreign Representative and to assist the Ontario Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this Report may not be appropriate for any other purpose. The Proposed Information Officer assumes no responsibility or liability for any loss or damage occasioned by any party because of the circulation, publication, reproduction or use of this Report. Any use that a party makes of this Report, or any reliance on or decisions to be made based on it, is the responsibility of such party.

9. A copy of this Report and other relevant documents with respect to these proceedings will be made available on the Proposed Information Officer's website at: www.GrantThornton.ca/Moores if appointed.

10. All references to dollars are in Canadian currency unless otherwise noted.

GTL'S QUALIFICATIONS TO ACT AS INFORMATION OFFICER

11. GTL is qualified to act as Information Officer. GTL's qualifications include:

(a) GTL is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada). GTL is not subject to any of the restrictions to act as set out in Section 11.7(2) of the CCAA; and

(b) GTL has acted as information officer in several previous proceedings, as well as numerous Court-appointed capacities under various insolvency, regulatory and corporate legislation.

12. GTL had not previously been involved with the Chapter 11 Debtors and was engaged only very recently to act as the Proposed Information Officer. In that short time, GTL has gathered the information reflected in this Report and understands from representatives of the Chapter 11 Debtors that such information is the most current and appropriate information for purposes of this Report.

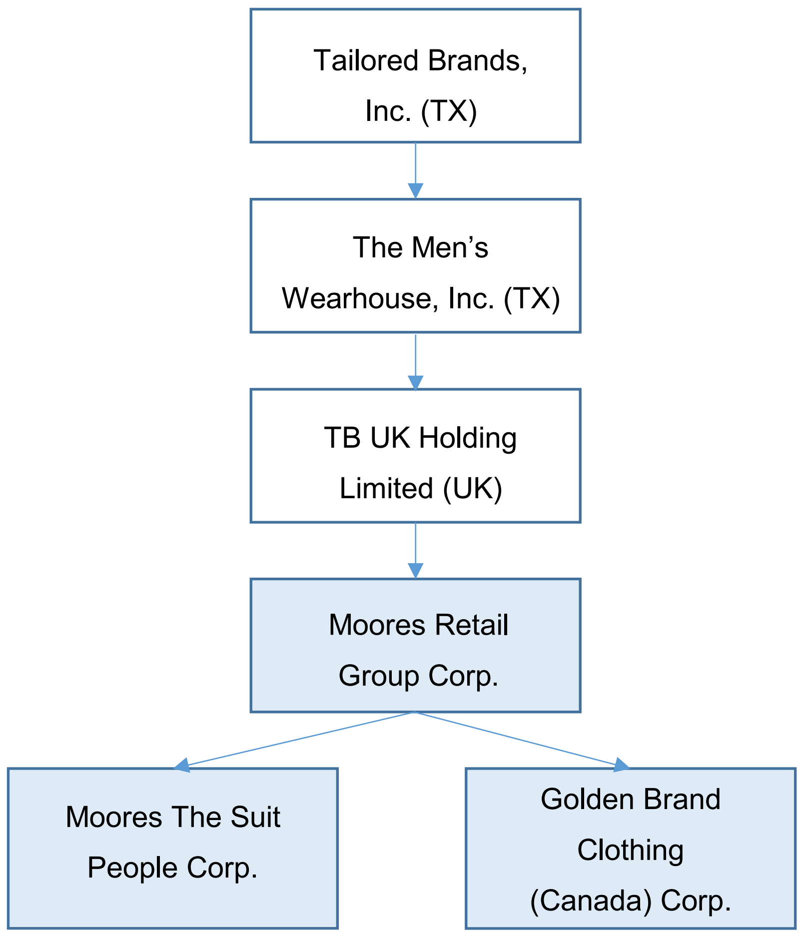
13. GTL has consented to act as Information Officer in these proceedings should the Ontario Court grant the Recognition Orders. A copy of GTL's consent to act as Information Officer is attached as **Schedule "B"**. GTL's duties and obligations as Information Officer will be as set out in the Recognition Orders, as well as by statute, and GTL would from that date forward be acting as an officer of the Ontario Court.

BACKGROUND OF THE US BANKRUPTCY PROCEEDINGS

14. The Chapter 11 Debtors collectively are a leading specialty retailer of men's tailored clothing and one of the largest men's formalwear providers in the U.S. and in Canada, through its four main retail brands, being; (i) Men's Wearhouse, (ii) Jos. A Bank, (iii) K&G Fashion Superstore and, (iv) Moores Clothing for Men.

15. The Chapter 11 Debtors sell their retail brands via an omni-channel platform which includes brick-and-mortar stores.

16. The Chapter 11 Debtors' sit within a group of entities which are all controlled by their ultimate shareholder, Tailored Brands, Inc. (together with its subsidiaries, the "**TB Group**"), which is a Texas based entity that is publicly traded. A copy of the entire corporate organization chart is attached as **Schedule "C"**. A condensed version to show the Canadian domiciled entities (shaded) within the TB Group is provided as follows:



17. Of the Canadian-domiciled entities in the above chart, both Moores Retail Group Corp. ("**MRGC**") and Moores The Suit People Corp. (together, the "**Canadian Chapter 11 Debtors**") are Chapter 11 Debtors. As noted above, Moores The Suit People Corp. is the proposed Foreign Representative in these recognition proceedings. Based on information provided to the Proposed Information Officer, Golden Brand Clothing (Canada) Corp. was

not included within the US Bankruptcy Proceedings because its operations had previously ceased.

18. As at the date of this Report:

(a) the US entities forming part of the Chapter 11 Debtors (the "**US Chapter 11 Debtors**") have borrowed approximately US$1.4 billion in secured debt, which includes; (i) an ABL facility (the "**Prepetition ABL Facility**"), drawn to approximately US$375 million (ii) term loan (the "**Term Loan**") with an outstanding balance of approximately US$877 million and, (iii) senior notes (the "**Senior Notes**") of approximately US$174 million.

(b) While MRGC is neither a borrower nor guarantor under the above funded debt, the Foreign Representative is, on the other hand, a borrower under the Prepetition ABL Facility (benefiting from an undrawn US$50 million credit facility thereunder) and has provided security against all or substantially all of its assets to secure any borrowings the Foreign Representative may make under the Prepetition ABL Facility;

(c) in the aggregate, the Chapter 11 Debtors, including the Foreign Representative operate 1,450 stores across the U.S. and Canada, of which 125 stores are located in Canada (Ontario (54), Québec (25), British Columbia (16), Alberta (15), Manitoba (4), Nova Scotia (4), New Brunswick (3), Saskatchewan (2), Newfoundland and Labrador (1) and Prince Edward Island (1)); and

(d) the Chapter 11 Debtors, including the Foreign Representative employ approximately 18,000 employees of which approximately 1,700 are employed in Canada.

19. Holly Etlin's affidavit sworn August 4, 2020 (the "**Etlin Affidavit**"), details the reasons for the US Bankruptcy Proceedings.

20. Senior Management of the Chapter 11 Debtors, in consultation with the CRO, have developed a number of key operational initiatives to strategically turnaround the Chapter 11 Debtors. An injection of liquidity is required to undertake these initiatives, which is being provided in the form of the DIP ABL Facility. Both topics are discussed later in this Report.

THE CANADIAN CHAPTER 11 DEBTORS

21. MRGC is an unlimited liability corporation incorporated in Nova Scotia. It is a holding company and the 100% shareholder of the Foreign Representative. As described further below, the majority of the assets of MRGC are intercompany receivables and investments in subsidiaries as at July 4, 2020, which may have limited value.

22. Moores Suit, the Foreign Representative, is also an unlimited liability corporation incorporated in Nova Scotia. It is the Canadian operating company for the Moores brand in Canada.

23. The Etlin Affidavit sets out the integrated nature of the Canadian Chapter 11 Debtors and their US affiliates and the overall basis to establish the centre of main interest ("**COMI**") of the Chapter 11 Debtors in the US. Accordingly, the COMI attributes are not repeated herein.

Financial Overview: Insolvency

24. The Proposed Information Officer is advised that the Chapter 11 Debtors do not produce financial reports or statements for the Canadian Chapter 11 Debtors separate from the consolidated corporate reports. A general ledger showing the balance sheet accounts of

the Canadian Chapter 11 Debtors as at July 4, 2020 was provided to the Proposed Information Officer and is summarized as follows:

Balance Sheet as at July 4, 2020	Moores Retail Group ($CAD)	Moores The Suit People ($CAD)
Assets		
Cash and cash equivalents	166,445	13,362,902
Accounts receivable	-	1,941,087
Taxes receivable	518,330	8,661,357
Inventory	-	64,730,875
Other current assets	-	925,931
Total current assets	**684,776**	**89,622,151**
PPE	-	29,775,702
Investments in subsidiaries	42,320,586	88,617,701
Othe assets (incl. intercos receivable)	18,888,542	20,437,358
Total assets	**61,893,903**	**228,452,913**
Liabilities		
Accounts payable	-	17,157,456
Accrued expenses	-	13,075,101
Operating lease liabilities		19,052,898
Other liabilities	1,432,182	2,920,689
Total current liabilities	**1,432,182**	**52,206,144**
Operating lease liabilities	-	52,526,919
Deferred tax liabilities	(187,689)	19,055,403
Total liabilities	1,244,493	123,788,466
Equity		
Paid in capital	-	37,918,570
Current year earnings	6,251,662	(22,790,837)
Retained earnings (before current year earnings)	94,554,119	347,048,242
Intercompany related equity	(40,156,371)	(257,511,529)
Total equity	60,649,410	104,664,446
Total liabilities and equity	**61,893,903**	**228,452,913**

25. As noted above, MRGC has a working capital deficit of $0.747 million, meaning it has insufficient current assets to satisfy its current liabilities. Moreover, MRGC's investment in subsidiaries and the intercompany receivables would likely have limited value in light of the US Bankruptcy Proceedings and related uncertainties as to outcome thereof. Since these are MRGC's only material assets, if they have no or limited value, the value of MRGC's assets would be insufficient to satisfy its liabilities.

26. As noted above, the Foreign Representative has a working capital surplus of $37.4 million, meaning the *book* value of its current assets as reflected in the July 4, 2020 balance sheet exceeds its current liabilities by this amount. However, the Proposed Information Officer also observes that:

(a) for the 5-month period ended July 4, 2020, the Foreign Representative has incurred losses of $22.8 million;

(b) the current cash balance reported as at July 4, 2020, over one month ago, is likely lower than set out in the above chart since the Foreign Representative has been incurring ongoing losses;

(c) the working capital surplus will further diminish when the realizable *liquidation* value (as opposed to the *book* value) of the inventory is considered. The Proposed Information Officer understands the inventory is largely apparel and that similar product is available from other retail establishments. As such, the value of such inventory in liquidation may be significantly less than the book value of $64.7 million;

(d) the realizable value of PPE (property, plant and equipment) that currently appears in the Foreign Representative's balance sheet will diminish as approximately $9.0 million pertains to the leasehold improvements in the stores, which upon liquidation, generally has no value;

(e) in light of the US Bankruptcy Proceedings, investment in subsidiaries and the intercompany receivables may also have limited value. If such investments and receivables have no or limited value, the Foreign Representative's liabilities would exceed its assets by at least $4.39 million, even before taking diminution of cash and inventory into consideration; and

(f) the operations of the Foreign Representative are interconnected with those of the TB Group which assumes, for the benefit of the Foreign Representative, several corporate and administrative functions. As a result, the insolvency of TB Group is expected to have a negative impact of the Foreign Representative's own operations and its balance sheet, as discussed below.

27. Accordingly, based on the foregoing and assuming no or limited value for intercompany investments and receivables, each of MRGC's and the Foreign Representative's assets would likely not be, at a fair valuation, sufficient to enable the payment of all its liabilities due and accruing due and each would be insolvent.

<u>Creditor Composition</u>

28. The Proposed Information Officer has been advised that while the Foreign Representative is a borrower under the Prepetition ABL Facility in respect of a US$50 million facility, the Foreign Representative has not drawn any funds under that facility and no amounts are payable by the Foreign Representative thereunder at this time.

29. A summary of the outstanding accounts payable of the Foreign Representative by type as at July 31, 2020 is tabled as follows;

Type of Service	Denomination	Amount ($USD)	Denomination	Amount ($CAD)	Total Amount ($CAD)
Merchandise	USD	825,205	CAD	6,109,933	7,217,028
Rent	USD	-	CAD	6,615,561	6,615,561
Advertising	USD	29,968	CAD	816,673	856,878
Freight	USD	1,550	CAD	802,305	804,384
Technology	USD	301,968	CAD	15,412	420,532
Utilities	USD	-	CAD	305,993	305,993
Contractors	USD	260,711	CAD	7,615	357,385
General	USD	104,108	CAD	77,342	217,013
Supplies	USD	14,464	CAD	143,089	162,493
Maintenance & Repairs	USD	12,989	CAD	99,032	116,457
Consultants	USD	106,638	CAD	900	143,966
Royalties	USD	62,254	CAD	-	83,520
Benefits	USD	-	CAD	49,317	49,317
Transport	USD	3,667	CAD	11,837	16,757
Entertainment	USD	-	CAD	5,622	5,622
Customer Refund	USD	20	CAD	4,545	4,572
Government	USD	-	CAD	3,000	3,000
Water	USD	-	CAD	840	840
Employees	USD	-	CAD	262	262
Total					**17,381,581**

**USD denominated payables have been converted to CAD using the exchange rate of 1.3416.*

30. Vendors that supply inventory and landlords of stores are the most significant accounts payable of the Foreign Representative, which reflects that: (i) there is a significant lead time to order inventory in advance of the upcoming retail season; and, (ii) all stores in Canada are leased.

31. Rent for July 2020 for all 125 stores within Canada approximates $1.723 million.

32. MRGC is not an operating company and its balance sheet account revealed only certain “other liabilities” totaling approximately $1.4 million. The Proposed Information Officer is advised that the other liabilities for MRGC represent taxes payable to the CRA, which is the only known material creditor of MRGC as at July 4, 2020.

FIRST DAY ORDERS

33. The Foreign Representative is seeking recognition of the following First Day Orders by the Ontario Court:

(a) the Bar Date Order;

(b) the Interim Cash Management Order;

(c) the Interim Critical Vendors Order;

(d) the Interim Customer Programs Order;

(e) the Interim DIP Order;

(f) the Insurance Order;

(g) the Joint Administration Order;

(h) the Interim Lienholders Order;

(i) the Corrected Interim NOL Order;

(j) the Prime Clerk Retention Order;

(k) the Surety Bond Order;

(l) the Prepetition Taxes Order; and

(m) the Prepetition Wages Order.

34. The Etlin Affidavit provides a summary of the relief sought in each of the above orders.

35. The Proposed Information Officer has been advised by counsel for the Foreign Representative that the creditors of the Canadian Chapter 11 Debtors are proposed to receive the same treatment as creditors of the US domiciled entities in the First Day Orders, including ascribing "administrative claim" status for post-filing goods or services provided to the Chapter 11 Debtors during the US Bankruptcy Proceedings.

THE DIP ABL FACILITY AND THE DIP CHARGE

36. The Etlin Affidavit details, *inter alia*, the process which has led to the execution of the DIP ABL Facility, as well as the fact that immediate access to liquidity is critical to maximizing value and facilitating a going-concern strategic turnaround of the Chapter 11 Debtors.

37. In particular, the Proposed Information Officer has been advised that the aggregate availability under the Prepetition ABL Facility has been constrained such that, as of the Petition Date, the US Chapter 11 Debtors have little to no access to liquidity under the Prepetition ABL Facility. This is due to, among other things, a US$260 million draw on March 16, 2020 and an additional US$25 million draw made later in March by the US Chapter 11 Debtors, as a proactive measure in response to COVID-19.

38. The Proposed Information Officer has also been advised that:

(a) any further borrowings under the Prepetition ABL Facility would trigger the prepetition ABL Lenders' cash dominion over any accounts payable and other cash receipts of the US Chapter 11 Debtors, effectively preventing the US Chapter 11 Debtors from satisfying their obligations to landlords, employees, customers, suppliers, and vendors as well as from paying the expenses of the Chapter 11 Proceedings, as detailed in the Etlin Affidavit; and,

(b) despite efforts by the Chapter 11 Debtors, no source of financing to the Chapter 11 Debtors on an unsecured or administrative priority basis was identified. In particular, Senior Management of the Chapter 11 Debtors engaged PJT Partners Inc. ("**PJT**") to identify sources of capital on the best available terms. PJT began by soliciting interest from lenders for debtor-in-possession financing ("**DIP Financing**"). Lenders that signed non-disclosure agreements were granted access to a virtual dataroom, which contained non-public information, amongst other things. PJT ultimately received one (1) indication of interest for a DIP facility from a party outside of the Chapter 11 Debtors' existing capital structure. Such indication of interest did not provide better economic terms to the Chapter 11 Debtors compared to the DIP Facility.

39. The Chapter 11 Debtors therefore agreed to a DIP ABL Facility with the existing lenders of the Prepetition ABL Facility as follows:

    (a) up to US$500 million ABL Facility which includes a "creeping roll up" of the US Chapter 11 Debtors' obligations under Prepetition ABL Facility and includes a US$50 million facility for the Foreign Representative; and

    (b) a US$150 million sublimit for letters of credit.

40. A copy of the DIP ABL Facility agreement is attached to the Etlin Affidavit**.**

41. The DIP ABL Lenders are the same syndicate of lenders that currently hold a priority lien over the assets of the Foreign Representative to secure any borrowing it may make under the Prepetition ABL Facility;

42. Based on the Etlin Affidavit, DIP ABL Facility funds would be used for "…*making good on the Chapter 11 Debtors' long-standing positive relationships with its vendors*", which could allow for more timely payments to certain vendors of the Foreign Representative than would likely occur if the business did not continue as a going-concern;

43. The Proposed Information Officer has also been advised that :

    (a) The DIP ABL Facility will allow the Chapter 11 Debtors, including the Foreign Representative, to continue their operations and pursue a restructuring supported by the majority of its senior lenders through a restructuring support agreement (the "**RSA**"), which contemplates a comprehensive reorganization that will result in a substantial deleveraging of the Chapter 11 Debtors' balance sheet through a significant reduction in the Chapter 11 Debtors' funded indebtedness and allow the Chapter 11 Debtors to move expeditiously through these restructuring proceedings;

(b) the Chapter 11 Debtors need immediate access to the DIP ABL Facility to ensure their continued operations during these proceedings;

(c) the DIP ABL Lenders are unwilling to provide funding to the Chapter 11 Debtors without all of the Chapter 11 Debtors, including the Foreign Representative and MRGC, agreeing to be jointly and severally liable under the DIP ABL Facility;

(d) the DIP ABL Facility is an important component of the Chapter 11 Debtors' restructuring and represents the first step towards the Chapter 11 Debtors' restructuring, as contemplated in the RSA; and

(e) if the DIP ABL Charge is not granted and the Chapter 11 Debtors are not provided funding as required, the restructuring contemplated by the RSA will not be implemented, likely resulting in liquidation.

44. As described above, the Foreign Representative is a borrower under the DIP ABL Facility and both Canadian Chapter 11 Debtors have guaranteed and are jointly and severally liable in respect of all obligations under the DIP ABL Facility, including the creeping roll-up of the approximately US$375 million advanced to the US Chapter 11 Debtors. In considering the impact of the DIP ABL Facility and the proposed charge to secure the DIP

ABL Facility (the "**DIP ABL Charge**") on the Canadian Chapter 11 Debtors, the Proposed Information Officer notes that:

(a) the Foreign Representative will be a borrower under the DIP ABL Facility with an available facility of US$50 million (which is unchanged from the Prepetition ABL Facility). It is important that the Foreign Representative continue to have access to financing to ensure continuity of supply and facilitate its continued operations. While the Foreign Representative currently has some cash-on-hand as described above, the Proposed Information Officer understands that the Foreign Representative has not only been incurring losses to date but also will be expected to continue operations during the restructuring in the face of the ongoing impacts of COVID-19 crisis and potential impacts of the US Bankruptcy proceedings, which will each contribute to its cash needs in the restructuring process;

(b) while the Proposed Information Officer has not conducted a security review of the Prepetition ABL Facility and no claims process has been conducted, the Proposed Information Officer understands that the Foreign Representative already provided first-ranking security over its assets to secure any borrowings the Foreign Representative may make under the Prepetition ABL Facility, which will continue to be the amount available to it under the DIP ABL Facility;

(c) given the connections between the Canadian Chapter 11 Debtors and the other Chapter 11 Debtors, the Canadian Chapter 11 Debtors receive indirect benefits by ensuring the Chapter 11 Debtors are able to fund their costs. The Proposed Information Officer has been advised that, among other things, the Canadian Chapter 11 Debtors will benefit from the ABL DIP Facility, including the DIP financing which will be provided to US Chapter 11 Debtors under the DIP ABL

Facility, as such financing will primarily be used to fund corporate and administrative costs, which the Canadian Chapter 11 Debtors currently benefit from, and to fund the purchase of certain inventory, including inventory destined to the Foreign Representative that is purchased by a US Chapter 11 Debtor;

(d) the Proposed Information Officer has been advised that the DIP ABL Lenders are unwilling to provide funding to the Chapter 11 Debtors without the Foreign Representative's and MRGC's joint and several liability under the DIP ABL Facility. This means that the guarantee of the DIP ABL Facility by the Canadian Chapter 11 Debtors is a requirement for the Chapter 11 Debtors to obtain the funding necessary to complete the restructuring, which in turn is expected to produce a higher recovery for the creditors of the Foreign Representative;

(e) all obligations under the DIP ABL Facility will be cross-guaranteed and cross-collateralized, such that the US Chapter 11 Debtors will *also* guarantee the Foreign Representative's borrowings under the DIP ABL Facility;

(f) the US Chapter 11 Debtors consider the value of their liquid assets (US$945 million) to be sufficient to repay the totality of their obligations under the DIP ABL Facility (US$500 million) and the letters of credit facility (US$150 million), such that the risk of the assets of the Foreign Representative being used to repay the obligations of the US Chapter 11 Debtors under the DIP ABL Facility is remote. Based on this and to the extent that the obligations of the US Chapter 11 Debtors are satisfied first from their assets and to the extent such assets are sufficient to satisfy their obligations, the likelihood of any creditor of the Foreign Representative being adversely affected by the guarantee by the Foreign Representative of the US obligations under the DIP ABL Facility would appear to be low;

(g) if the Foreign Representative is unable to recover on its intercompany assets and if the Foreign Representative were to be liquidated, its creditors will likely experience a substantial shortfall in relation to the amounts owing to them. In this scenario and given the current economic environment, many of the locations will likely close resulting in an increase in claims to be filed from landlords and employees.; and

(h) ultimately, following a process conducted by PJT, it appears that there are no other financing alternatives available to the Chapter 11 Debtors.

45. With respect to MRGC, it is now a guarantor of the DIP ABL Facility. As with the Foreign Representative, this is a change from the pre-filing position in which MRGC had not guaranteed the Prepetition ABL Facility. As noted above, the only material creditor of which the Proposed Information Officer is presently aware as at July 4, 2020 is the CRA in respect of income taxes payable in the amount of $1.4 million (against which MRGC may have a right of set-off given its $518,330 tax receivable). Other than this pre-filing claim, the Proposed Information Officer is unaware of any other claim which could be affected by reason of MRGC being a guarantor under the DIP ABL Facility.

46. The Proposed Information Officer notes that DIP ABL Facility is conditional upon MRGC, amongst others, guaranteeing all obligations thereunder and granting a charge over its assets to secure such obligations, subject to court approval. Moreover, the Proposed Information Officer was advised that the DIP lenders were concerned that there had been cash management issues between the two Canadian Chapter 11 Debtors such that the guarantee from both entities was necessary to ensure that the Foreign Representative would receive the benefit of the DIP ABL Facility without any potential leakage of funds via MRGC.

47. In light of the foregoing, the Proposed Information Officers notes that the impact which the proposed DIP ABL Charge may have on the creditors of the Canadian Chapter 11 Debtors may ultimately be limited and, in any event, appears to be outweighed by the benefits of the DIP ABL Facility being granted to the Chapter 11 Debtors, as part of the RSA.

ADMINISTRATION CHARGE

48. In addition to the DIP ABL Charge, the proposed Recognition Orders contemplate an Administration Charge.

49. The Foreign Representative is seeking an Administration Charge in an amount not to exceed $600,000 to secure the fees and expenses of the Information Officer and its counsel.

50. The Administration Charge is a customary provision in recognition orders under Part IV of the CCAA. It is required by certain of the professionals engaged to assist a debtor company and to protect those professionals in the event it is unable to pay their fees and costs during the insolvency process.

51. GTL believes that the quantum of the Administration Charge is reasonable and appropriate in the circumstances given the complexities of the cross-border proceedings and the services to be provided by the professionals involved.

THE KEY INITIATIVES

52. As detailed in the Etlin Affidavit, Senior Management of the Chapter 11 Debtors in consultation with the CRO have developed several key operational initiatives to strategically turnaround the Chapter 11 Debtors (the "**Key Initiatives**"), some of which have been completed and the remainder to be implemented during the US Bankruptcy Proceedings. These Key Initiatives are summarized as follows:

(a) Change in Leadership: On December 11, 2019, the Chief Customer Officer role was created, consolidating the manager role for each retail brand into one, to unlock values across the brand portfolio in more effective and efficient ways. On July 17, 2020, Ms. Etlin was appointed as CRO.

(b) Sale of Non-Core Operations:

   (i) On March 3, 2018, the MW Cleaners business was sold for $18 million.

   (ii) On August 16, 2019, the UK corporate apparel operation (MWUK Limited) and the U.S. corporate apparel operation (Twin Hill Acquisition Company, Inc.) were sold for a combined amount of US$62 million, after working capital adjustments.

   (iii) On January 16, 2020, the Joseph Abboud trademarks were sold for US$115 million.

(c) Operational Changes in Response to the COVID-19 Pandemic: Various cost measures have been enacted, including the furlough of approximately 18,100 employees in the US and Canada. Some staff have been brought back as the Chapter 11 Debtors have expanded into non-traditional business such as the production of 50,000 face masks for healthcare workers.

(d) Right Sizing Physical Store Footprint: The Chapter 11 Debtors intend to quickly wind-down its unprofitable stores in the U.S. and in Canada. Also, real estate advisors have been engaged and are working with the Chapter 11 Debtors to negotiate rent concessions with existing landlords.

(e) Refocusing on Product Assortment: Given the continuing trend in casualization of workplace and special occasion attire, the Chapter 11 Debtors are focusing to adjust their merchandise to meet customer preferences.

(f) Enhancing Customer Experience: The Chapter 11 Debtors intend to make select investments in the store fleet to improve the customer experience, which focus on store design and layout. The "Perfect Fit" loyalty program will continue to be maintained to leverage long-term relationships with customers.

(g) Optimizing Marketing: The Chapter 11 Debtors will continue to focus on marketing through broad-reach digital channels, which are more personalized and can be more easily measured.

(h) Growing the Debtors' E-commerce Offering: The Chapter 11 Debtors will continue to bolster the pre-existing e-commerce platform, to compliment the brick-and-mortar stores and strengthen their omni-channel platform. The CRO comments that the Chapter 11 Debtors have the potential to significantly increase their online penetration, which is well below the general apparel industry.

53. The impact of the above initiatives will be known as the US Bankruptcy Proceedings progress.

CONCLUSION AND RECOMMENDATION

54. Given the interconnectedness among the Chapter 11 Debtors, particularly with management and certain administrative functions being performed in the US, a restructuring of the business of the Chapter 11 Debtors as a whole is likely to provide enhanced recoveries and prevent liquidation proceedings in respect of the Canadian

Chapter 11 Debtors, which would result in store closures and increased claims from landlords and employees.

55. For the reasons set out in this Report and in reliance on the facts and assumptions set out herein, the Proposed Information Officer is of the view that the relief being sought by the Foreign Representative is reasonable in the circumstances. Accordingly, the Proposed Information officer respectfully recommends that the Ontario Court grant the Recognition Orders.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 5th day of August 2020.

GRANT THORNTON LIMITED,
AS PROPOSED INFORMATION OFFICER OF
MOORES THE SUIT PEOPLE CORP.
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: ______________________________

Jonathan Krieger, CPA, CA, CIRP, LIT
Senior Vice-President

Schedule A

SCHEDULE "A"

LIST OF CHAPTER 11 DEBTORS

Tailored Brands, Inc.

JA Apparel Corp.

Jos. A. Bank Clothiers, Inc.

Joseph Abboud Manufacturing Corp.

K&G Men's Company Inc.

MWDC Holding Inc.

Nashawena Mills Corp.

Renwick Technologies, Inc.

Tailored Brands Gift Card Co LLC

Tailored Brands Purchasing LLC

Tailored Brands Worldwide Purchasing Co.

Tailored Shared Services, LLC

TB UK Holdings Limited

The Joseph A. Bank Mfg. Co., Inc.

The Men's Wearhouse, Inc.

TMW Merchants LLC

Moores the Suit People Corp.

Moores Retail Group Corp.

Court File No. ______________________

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED STATES BANKRUPTCY COURT, SOUTHERN DISTRICT OF TEXAS, HOUSTON DIVISION WITH RESPECT TO THE COMPANIES LISTED AT SCHEDULE "A" HEREOF

AN APPLICATION OF MOORES THE SUIT PEOPLE CORP. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

CONSENT

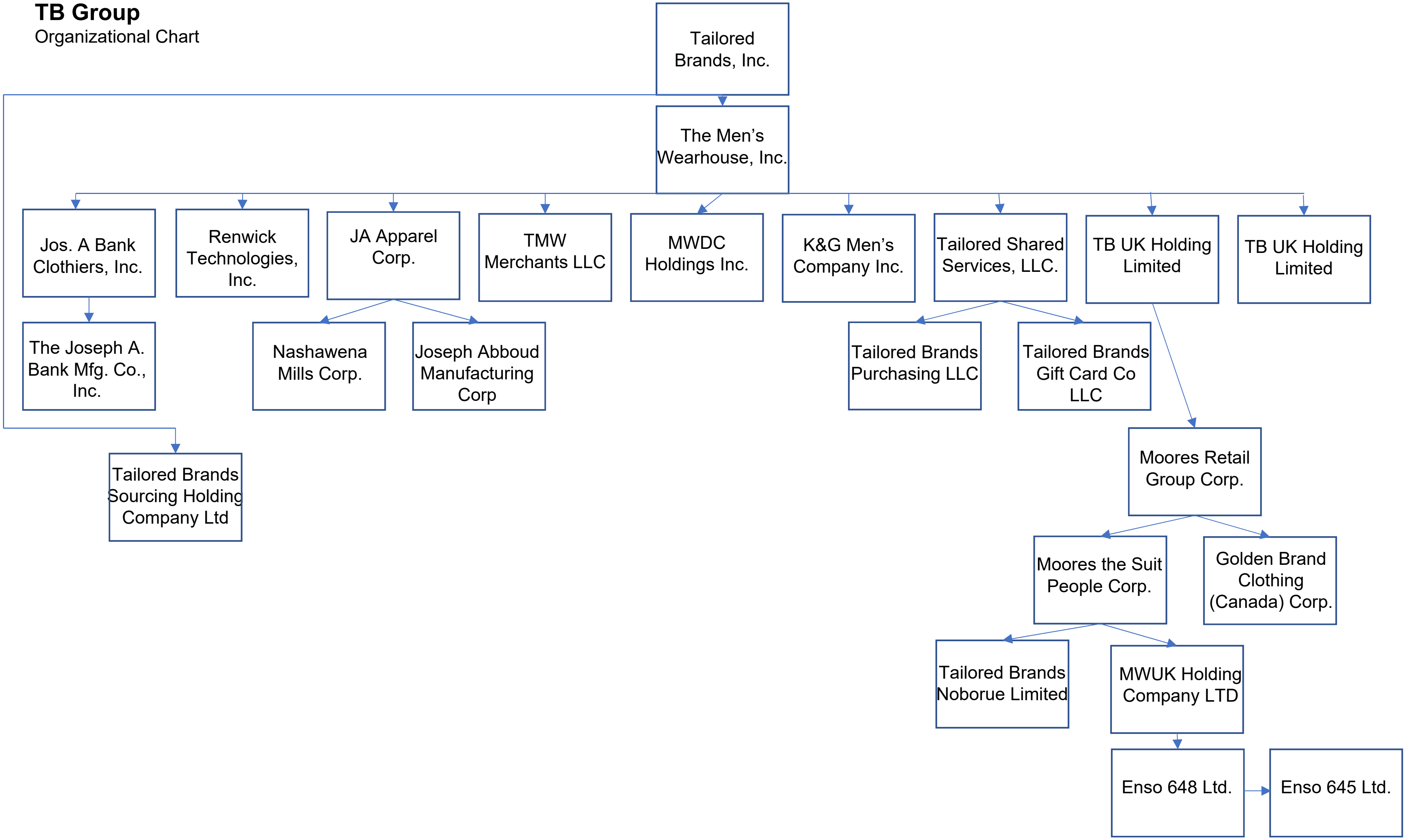
The undersigned, Grant Thornton Limited ("**GTL**"), hereby consents to the appointment of GTL as Information Officer in the above captioned proceeding and the terms of an order substantially in the form filed in these proceedings.

DATED at Toronto, this 4th day of August, 2020

GRANT THORNTON LIMITED

Per: ______________________________
Name: Jonathan Krieger
Title: Senior Vice President

TB Group
Organizational Chart



IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36 OF MOORES THE SUIT PEOPLE CORP

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

REPORT OF GRANT THORNTON LIMITED
AS PROPOSED INFORMATION OFFICER

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