

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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In re: : Chapter 11
: :
Filene's Basement, L.L.C., et al., : Case No. 11-13511 (KJC)
: :
Debtors. : Jointly Administered
: :
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**DISCLOSURE STATEMENT WITH RESPECT TO THE JOINT CHAPTER 11 PLAN OF
REORGANIZATION OF SYMS CORP. AND ITS SUBSIDIARIES**

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Dated: May 24, 2012
Wilmington, Delaware

DISCLAIMER

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT HAS APPROVED THIS DISCLOSURE STATEMENT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT.



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THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE DEBTORS' JOINT CHAPTER 11 PLAN OF REORGANIZATION, AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL HOLDERS OF CLAIMS AND INTERESTS WHO ARE ELIGIBLE TO VOTE ON THE PLAN ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THE EXHIBITS AND SCHEDULES ANNEXED TO THE PLAN AND THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE UNITED STATES BANKRUPTCY CODE AND RULE 3016(c) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE TO PROVIDE HOLDERS OF CLAIMS AND INTERESTS WITH "ADEQUATE INFORMATION" AS DEFINED IN THE BANKRUPTCY CODE SO THAT THEY CAN MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAW.

THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OR CLAIMS OF SYMS CORP., FILENE'S BASEMENT, LLC OR ANY OF THE OTHER DEBTORS AND DEBTORS IN POSSESSION IN THESE CASES, SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND OTHER APPLICABLE EVIDENTIARY RULES. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, SYMS CORP., FILENE'S BASEMENT, LLC OR ANY OF THE OTHER DEBTORS AND DEBTORS IN POSSESSION IN THESE CASES.

EXCEPT AS OTHERWISE PROVIDED HEREIN, CAPITALIZED TERMS NOT OTHERWISE DEFINED IN THIS DISCLOSURE STATEMENT HAVE THE MEANINGS ASCRIBED TO THEM IN THE PLAN. UNLESS OTHERWISE NOTED, ALL DOLLAR AMOUNTS

PROVIDED IN THIS DISCLOSURE STATEMENT AND THE PLAN ARE GIVEN IN UNITED STATES DOLLARS.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, EACH HOLDER IS HEREBY NOTIFIED THAT (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A HOLDER UNDER THE TAX CODE, (B) SUCH DISCUSSION IS INCLUDED HEREBY BY THE DEBTORS IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTORS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN AND (C) EACH HOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Disclosure Statement contains certain forward-looking statements, all of which are based on various estimates and assumptions. Such forward-looking statements are subject to inherent uncertainties and to a wide variety of significant business, economic, and competitive risks, including, among others, those summarized herein. *See Section VIII — "Certain Risk Factors To Be Considered."* When used in this Disclosure Statement, the words "anticipate," "believe," "estimate," "will," "may," "intend," and "expect" and similar expressions generally identify forward-looking statements. Although the Debtors believe that their plans, intentions, and expectations reflected in the forward-looking statements are reasonable, they cannot be sure that they will be achieved. These statements are only predictions and are not guarantees of future performance or results. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by a forward-looking statement. All forward-looking statements attributable to the Debtors or persons acting on their behalf are expressly qualified in their entirety by the cautionary statements set forth in this Disclosure Statement. Forward-looking statements speak only as of the date on which they are made. Except as required by law, the Debtors expressly disclaim any obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

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Other Exhibits to the Plan will be contained in a separate Plan Supplement, which will be filed with the Bankruptcy Court at least five (5) Business Days prior to [____], the deadline established by the Bankruptcy Court for filing and serving objections to confirmation of the Plan. The Plan Supplement will be available for inspection in the office of the Clerk of the Bankruptcy Court during normal court hours and at the Debtors' internet site at <http://www.kccllc.net/filenes>. Additional copies of the Plan Supplement may be obtained upon request to the Debtors' Claims Agent at the following address:

Filene's Claims Processing Center
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245

I. INTRODUCTION

On November 2, 2011 (the "Petition Date"), Syms Corp. ("Syms"), Filene's Basement, LLC ("Filene's"), Syms Advertising Inc. ("Advertising") and Syms Clothing, Inc. ("Clothing" and together with Syms, Filene's and Advertising, the "Debtors") each commenced a case in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") under Chapter 11 of the Bankruptcy Code. As described further below, since the Petition Date, the Debtors have permanently ceased their retail operations; liquidated their retail inventory pursuant to store closing sales; terminated substantially all their employees; and disposed of many of their real property leases under which they were tenants. The assets of the Debtors' estates now include cash from the store closing sales; seventeen parcels of real estate owned by Syms; a residential condominium in Secaucus, New Jersey, interests in four long-term ground leases; intellectual property owned by Filene's, and various estate claims and causes of action.

Concurrently herewith, the Debtors have filed their joint chapter 11 plan of reorganization, a copy of which is attached hereto as Exhibit A (the "Plan"). The Debtors and the Official Committee of Syms Corp. Equity Security Holders (the "Equity Committee") are co-proponents of the Plan.

Because Syms is solvent, under the Plan, Syms anticipates paying all its creditors in full. This includes creditors to whom Syms provided guarantees of certain of Filene's liabilities. Syms will retain its real estate assets and own, manage, lease and dispose of them over time, in a non-distressed, commercially reasonable manner, in order to maximize the value of these assets. Filene's is insolvent. In resolution of certain intercompany claims and related matters concerning the Debtors' historic operations, Syms has agreed that Filene's creditors will share pro rata in a portion of the proceeds of Syms' assets as described below. The Debtors do not believe that Advertising or Clothing have any assets or liabilities. Therefore, the Debtors have not proposed a plan for either of these entities.

The Debtors have prepared this Disclosure Statement pursuant to Bankruptcy Code section 1125 for use in the solicitation of votes on the Plan. The Plan, while denominated a "joint" Plan, constitutes two separate plans for purposes of voting and distribution: one plan for Syms, and a separate plan for Filene's. This introduction provides a brief overview of each of these two plans. However, it affords a general overview only, which is qualified in its entirety by, and should be read in conjunction with, the more detailed discussions, information and financial statements and notes appearing elsewhere in this Disclosure Statement and the Plan. All capitalized terms not defined in this Disclosure Statement have the meanings ascribed to such terms in the Plan.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN DOCUMENTS RELATED TO THE PLAN, CERTAIN EVENTS IN THE CHAPTER 11 CASES AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH THE DEBTORS BELIEVE THAT SUCH SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE FULL TEXT OF SUCH DOCUMENTS. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING FINANCIAL INFORMATION, IS WITHOUT ANY INACCURACY OR OMISSION.

THE DEBTORS BELIEVE THAT THE PLAN WILL ENABLE THE DEBTORS TO ACCOMPLISH THE OBJECTIVES OF CHAPTER 11 AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTORS AND THE HOLDERS OF ALL CLAIMS AND INTERESTS. ACCORDINGLY, THE DEBTORS URGE HOLDERS OF CLAIMS AND INTERESTS TO VOTE TO ACCEPT THE PLAN. FOR FURTHER INFORMATION AND

INSTRUCTIONS ON VOTING TO ACCEPT OR REJECT THE PLAN, SEE SECTION III OF THE DISCLOSURE STATEMENT, ENTITLED "PLAN VOTING, CONFIRMATION AND OBJECTION PROCEDURES."

II. OVERVIEW OF THE PLAN

The table below summarizes the classification and treatment of prepetition and postpetition claims against and interests in each of Syms and Filene's. The table below also contains an estimate of the recoveries that the Debtors believe will ultimately be available to each class of claims and interests under each separate plan proposed for Syms and Filene's, respectively. These estimates are based upon a number of assumptions, which may or may not prove to be accurate. As of the date of this Disclosure Statement, Syms is holding cash of approximately \$5.5 million and Filene's is holding cash of approximately \$8.6 million. Syms estimates that its real estate assets have an aggregate net realizable value of approximately \$149.5 million.

1. Plan for Syms

Description and Amount of Claims and Interests	Summary of Treatment
Unclassified Claims Against Syms	
Administrative Claims	<p>Administrative Claims include pre-petition claims held by providers of goods for the value of any such goods shipped to Syms within 20 days of the Petition Date in the ordinary course of business, along with post-petition claims held by persons who provided goods and services to Syms after the petition date, including landlords for unpaid post-petition rent, utility providers, and professionals. Under the Plan, each Administrative Claim either will be paid in full in cash from the Syms assets on the effective date of the plan or as soon thereafter as such claim is allowed, or will receive such other less favorable treatment as to which the holder of such claim and Syms have agreed upon in writing.</p> <p>Estimated Amount: \$19.5 million Estimated Recovery: 100%</p>
Superpriority Intercompany Claims	<p>Superpriority Intercompany Claims are Intercompany Claims arising from and after the Petition Date, with priority as an administrative expense of the kind specified in section 503(b) and super-priority of the kind specified in section 507(b) of the Bankruptcy Code. Pursuant to the plan settlement, the holders of such claims shall not receive or retain any property under the plan on account of such claims and the claims shall be deemed cancelled and extinguished.</p> <p>Estimated Amount: \$2.675 million Estimated Recovery: Settled</p>
Priority Tax Claims	<p>Priority Tax Claims are any claims owed by Syms to governmental units for taxes that are entitled to priority under the Bankruptcy Code. Syms received authority to pay all such claims at the inception of its Chapter 11 case. Accordingly, Syms does not believe there are any remaining Priority Tax Claims. To the extent any such Claims exist, under the Plan, such claims will be paid in full in cash from the Syms assets upon the plan effective</p>

Description and Amount of Claims and Interests	Summary of Treatment
	<p>date or as soon thereafter as they are allowed, or will receive such less favorable terms as Syms and the holder of any such claim agree upon in writing.</p> <p>Estimated Amount: \$0.00 Estimated Recovery: 100%</p>
Classified Claims Against Syms	
<p>Syms Class 1: Secured Claims (Unimpaired)</p>	<p>Secured Claims are claims secured by a lien on collateral or that are subject to a right of setoff. Syms has already received authority to pay in full the secured claim of Syms' primary secured creditor, Bank of America, N.A., from proceeds of Syms store closing sales and made such payment in November 2011. Syms believes that there may be certain other Secured Claims arising out of its workers compensation program. Under the Plan, any holder of a Secured Claim shall either be paid in full in cash, shall receive the collateral securing its claim, or shall receive such less favorable treatment as Syms and the holder of such claim agree upon in writing.</p> <p>Estimated Amount: \$901,000 Estimated Recovery: 100%</p>
<p>Syms Class 2: Non-Tax Priority Claims (Unimpaired)</p>	<p>A Non-Tax Priority Claim is a pre-petition claim entitled to priority under the Bankruptcy Code other than an Administrative Claim or a Priority Tax Claim. Such claims include claims by employees for unpaid wages and similar amounts, along with the claims of customers for deposits and similar matters. Under the Plan, each holder of a Non-Tax Priority Claim either shall be entitled to be paid in full in cash from the Syms assets upon the Plan effective date with interest or as soon as thereafter as the claim is allowed, or shall receive such other less favorable treatment as to which such holder and Syms shall have agreed upon in writing.</p> <p>Estimated Amount: \$1.3 million Estimated Recovery: 100%</p>
<p>Syms Class 3: Convenience Claims (Unimpaired)</p>	<p>A Syms Convenience Claim is a pre-petition claim against Syms that is not entitled to priority under the Bankruptcy Code and is not secured by a lien on collateral, but that is (i) allowed in an amount equal to or less than \$10,000 or (ii) in an amount that is greater than \$10,000, but which the holder thereof elects on its ballot to be allowed in an amount no greater than \$10,000. Under the Plan, each holder of a Convenience Claim that is allowed shall be entitled to be paid in full in cash from the Syms assets upon the Effective Date.</p> <p>Estimated Amount: \$2.0 million Estimated Recovery: 100%</p>
<p>Syms Class 4: Syms General Unsecured Claims (Impaired)</p>	<p>A Syms General Unsecured Claim is a pre-petition claim that is not entitled to priority under the Bankruptcy Code, is not secured by a lien on collateral, and does not otherwise qualify as a Convenience Claim. Such claims include claims for unpaid trade payables, lease rejection damages, employee severance claims,</p>

Description and Amount of Claims and Interests	Summary of Treatment
	<p>and other unsecured claims, including claims on account of written Syms guarantees of Filene's leases and trade claims. Under the Plan, each holder of a Syms General Unsecured Claim that is allowed shall be paid in full in cash (without interest) or shall receive such other less favorable treatment as to which such holder and Syms shall have agreed upon in writing. Syms anticipates paying these claims within [four] years of the plan effective date.</p> <p>Estimated Amount: \$60.3 million Estimated Recovery: 100%</p>
Syms Class 5: Intercompany Claims (Impaired)	<p>A Syms Intercompany Claim is a claim against Syms held by another Debtor, including any claim reflected on the books and records of such other Debtor and any derivative claim asserted by or on behalf of another Debtor against Syms and which is not a Syms Superpriority Intercompany Claim. Pursuant to the plan settlement, the holders of Syms Intercompany Claims shall not receive or retain any property under the Plan on account of such claims. On the plan effective date, all Syms Intercompany Claims shall be deemed offset, cancelled and extinguished.</p> <p>Estimated Amount: See section __ below Estimated Recovery: Settled</p>
Syms Class 6: Interests (Impaired)	<p>Each holder of stock in Syms, or any right to acquire any such stock, shall retain such stock or right under the Plan.</p> <p>Estimated Recovery: \$ __ per share</p>

2. Plan for Filene's

Description and Amount of Claims and Interests	Summary of Treatment
Unclassified Claims Against Filene's	
Administrative Claims	<p>Administrative Claims include pre-petition claims held by providers of goods for the value of any such goods shipped to Filene's within 20 days of the Petition Date in the ordinary course of business, plus post-petition claims held by persons who provided goods and services to Filene's after the Petition Date, including landlords for unpaid post-petition rent, utility providers, and professionals. Under the Plan, each Administrative Claim either will be paid in full in cash from a segregated fund of Filene's assets on the effective date of the plan or as soon thereafter as such claim is allowed, or will receive such other less favorable treatment as to which the holder of such claim and Filene's have agreed upon in writing.</p> <p>Estimated Amount: \$11.4 million Estimated Recovery: 100%</p>
Superpriority Intercompany Claims	<p>Superpriority Intercompany Claims are Intercompany Claims arising from and after the Petition Date, with priority as an administrative expense of the kind specified in section 503(b) and super-priority of the kind specified in section 507(b) of the Bankruptcy Code. Pursuant to the plan settlement, the holders of</p>

Description and Amount of Claims and Interests	Summary of Treatment
	<p>such claims shall not receive or retain any property under the plan on account of such claims and the claims shall be deemed cancelled and extinguished.</p> <p>Estimated Amount: \$0.00 Estimated Recovery: Settled</p>
Priority Tax Claims	<p>Priority Tax Claims are any claims owed by Filene's to governmental units for taxes that are entitled to priority under the Bankruptcy Code. Filene's received authority to pay all such claims at the inception of its Chapter 11 case. Accordingly, Filene's does not believe there are any remaining Priority Tax Claims. To the extent any such Claims exist, under the Plan, such claims will be paid in full in cash from a segregated fund of Filene's assets upon the plan effective date or as soon thereafter as they are allowed, or will receive such less favorable terms as Filene's and the holder of any such claim agree upon in writing.</p> <p>Estimated Amount: \$1.35 million Estimated Recovery: 100%</p>
Classified Claims Against Filenes	
Filene's Class 1: Secured Claims (Unimpaired)	<p>Secured Claims are claims secured by a lien on collateral or that are subject to a right of setoff. Filene's already received authority to pay in full the secured claim of Filene's primary secured creditor, Bank of America, N.A., from proceeds of Filene's store closing sales and made such payment in November 2011. Filene's believes that there may be certain Secured Claims arising out of its workers compensation program. Under the Plan, any holder of a Secured Claim shall either be paid in full in cash, shall receive the collateral securing its claim, or shall receive such less favorable treatment as Filene's and the holder of such claim agree upon in writing.</p> <p>Estimated Amount: \$298,000 Estimated Recovery: 100%</p>
Filene's Class 2: Non-Tax Priority Claims (Unimpaired)	<p>A Non-Tax Priority Claim is a pre-petition claim entitled to priority under the Bankruptcy Code other than an Administrative Claim or a Priority Tax Claim. Such claims include claims by employees for unpaid wages and similar amounts, along with claims of customers for deposits and similar matters. Under the Plan, each holder of a Non-Tax Priority Claim either shall be entitled to be paid in full in cash from a segregated fund of Filene's assets upon the Plan effective date with interest or as soon as thereafter as the claim is allowed, or shall receive such other less favorable treatment as to which such holder and Filene's shall have agreed upon in writing.</p> <p>Estimated Amount: \$510,000 Estimated Recovery: 100%</p>
Filene's Class 3: Convenience Claims (Unimpaired)	<p>A Filene's Convenience Claim is a pre-petition claim against Filene's that is not entitled to priority under the Bankruptcy Code and is not secured by a lien on collateral, but that is (i) allowed in an amount equal to or less than \$10,000 or (ii) in an amount that is</p>

Description and Amount of Claims and Interests	Summary of Treatment
	<p>greater than \$10,000, but which the holder thereof elects on its ballot to be allowed in an amount no greater than \$10,000. Under the Plan, each holder of a Convenience Claim that is allowed shall receive cash from a segregated fund of Filene's assets and, if such fund is exhausted, from the Syms assets..</p> <p>Estimated Amount: \$1.675 million Estimated Recovery: 100%</p>
<p>Filene's Class 4: Filene's General Unsecured (Short-Term) Claims (Impaired)</p>	<p>A Filene's General Unsecured (Short-Term) Claim is a pre-petition claim against Filene's that is not entitled to priority under the Bankruptcy Code, is not secured by a lien on collateral, is not guaranteed by Syms, and does not otherwise qualify as a Convenience Claim. Such claims include claims primarily for unpaid trade payables and employee severance claims. Under the Plan, each holder of a Filene's General Unsecured (Short Term) Claim that is allowed shall be paid in full in cash (without interest) or shall receive such other less favorable treatment as to which such holder and Filene's shall have agreed upon in writing. Filene's anticipates paying these claims within [four] years of the plan effective date.</p> <p>Estimated Amount: \$8.8 million Estimated Recovery: 100%</p>
<p>Filene's Class 5: Filene's General Unsecured (Long-Term) Claims (Impaired)</p>	<p>A Filene's General Unsecured (Long-Term) Claim is a pre-petition claim against Filene's that is not entitled to priority under the Bankruptcy Code, is not secured by a lien on collateral, is not guaranteed by Syms, and does not otherwise qualify as either a Filene's Convenience Claim or Filene's General Unsecured (Short Term) Claim. Such claims include claims primarily for rejection of executory contracts and unexpired leases. Under the Plan, each holder of a Filene's General Unsecured (Long Term) Claim that is allowed shall be paid [75%] of the face amount of its claim in cash (without interest) or shall receive such other less favorable treatment as to which such holder and Filene's shall have agreed upon in writing. Filene's anticipates paying these amounts within [four] years of the plan effective date.</p> <p>Estimated Amount: \$36.8 million Estimated Recovery: [75%]</p>
<p>Filene's Class 6: Intercompany Claims (Impaired)</p>	<p>A Filene's Intercompany Claim is a claim against Filene's held by another Debtor, including but not limited to a claim reflected on the books and records of such other Debtor and any derivative claim asserted by or on behalf of another Debtor against Filene's and which is not a Filene's Superpriority Intercompany Claim. Pursuant to the plan settlement, the holders of Filene's Intercompany Claims shall not receive or retain any property under the Plan on account of such claims. On the plan effective date, all Filene's Intercompany Claims shall be deemed offset, cancelled and extinguished.</p> <p>Estimated Amount: \$0.00 Estimated Recovery: Settled</p>

Description and Amount of Claims and Interests	Summary of Treatment
Filene's Class 7: Interests (Impaired)	Filene's Interests consist of limited liability company membership interests in Filene's, which are owned exclusively by Syms. On the Effective Date, Syms' interests in Filene's shall be cancelled, and Syms shall not receive any property or interest on account of such interests. Estimated Recovery: 0%

ALTHOUGH THE DEBTORS BELIEVE THAT THE ESTIMATED RECOVERIES ARE REASONABLE, THERE IS NO ASSURANCE THAT THE ACTUAL AMOUNTS OF ALLOWED CLAIMS IN EACH CLASS WILL NOT MATERIALLY EXCEED THE ESTIMATED AGGREGATE AMOUNTS SHOWN IN THE TABLE ABOVE. The actual recoveries under the Plan will depend upon a variety of factors, including whether, and in what amount and with what priority, contingent claims against the Debtors become non-contingent and fixed; and whether, and to what extent, disputed claims are resolved in favor of the Debtors. Accordingly, no representation can be or is being made with respect to whether each estimated recovery amount shown in the table above will be realized.

In the view of the Debtors, the Plan provides holders of claims and interests with the best recovery possible. Accordingly, the Debtors believe that the Plan is in the best interests of creditors and shareholders and should be approved. Therefore, the Debtors recommend that all persons entitled to vote on the Plan, vote to accept the Plan.

III. PLAN VOTING, CONFIRMATION AND OBJECTION PROCEDURES

A. General Disclaimer

This Disclosure Statement is being transmitted to holders of claims against and interests in the Debtors that are entitled to vote on the Plan. The primary purpose of this Disclosure Statement is to provide adequate information so that holders who are entitled to vote on the Plan can make a reasonably informed decision with respect to the Plan before they decide to vote to accept or reject the Plan.

The Bankruptcy Court has approved this Disclosure Statement as containing "adequate information," which means information of a kind and in sufficient and adequate detail to enable voting creditors and shareholders to make an informed judgment with respect to acceptance or rejection of the Plan. **HOWEVER, THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE EITHER A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN, OR AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.**

WHEN AND IF CONFIRMED BY THE BANKRUPTCY COURT, THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS, WHETHER OR NOT SUCH HOLDERS ARE ENTITLED TO VOTE OR DID VOTE ON THE PLAN AND WHETHER OR NOT SUCH HOLDERS RECEIVE OR RETAIN ANY DISTRIBUTIONS OR PROPERTY UNDER THE PLAN. THUS, YOU ARE ENCOURAGED TO READ THE PLAN AND THIS DISCLOSURE STATEMENT CAREFULLY.

THIS DISCLOSURE STATEMENT IS THE ONLY DOCUMENT THAT THE COURT HAS APPROVED TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES ON THE PLAN. No solicitation of votes may be made except after the distribution of this Disclosure Statement, and no person has been authorized to distribute any information concerning the Debtors other than the information contained herein.

CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS, BY ITS NATURE, FORWARD LOOKING AND CONTAINS ESTIMATES AND ASSUMPTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL, FUTURE RESULTS. Unless otherwise specifically and expressly stated herein, this Disclosure Statement does not reflect any events that may occur after the date of this Disclosure Statement, even if those events may have a material impact on the information contained in this Disclosure Statement. The Debtors do not expect to distribute any amendments or supplements to this Disclosure Statement to reflect any occurrences that happen after the date hereof. Therefore, the delivery of this Disclosure Statement shall not under any circumstance imply that the information contained in it remains correct or complete as of any time subsequent to the date hereof.

THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTING FIRM AND HAS NOT BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

B. Holders of Claims and Interests Entitled to Vote

Under the Bankruptcy Code, only holders of allowed claims or interests in classes of claims or interests that are (a) impaired and (b) placed in a class that will receive a distribution under a plan may vote to accept or reject the plan. In this case, Syms Class 4 General Unsecured Claims, Syms Class 6 Interests, Filene's Class 4 General Unsecured (Short-Term) Claims and Filene's Class 5 General Unsecured (Long-Term) Claims are entitled to vote on the Plan.

Classes of claims or equity interests in which the holders thereof are unimpaired under a chapter 11 plan are deemed to have accepted the plan and are not entitled to vote to accept or reject the plan. In this case, Syms Classes 1, 2 and 3 and Filene's Classes 1, 2 and 3 are unimpaired, and holders of claims and interests in such classes are conclusively presumed to accept the Plan. Thus, such holders are not entitled to cast a vote on the Plan.

Classes of claims or interests that receive no distribution on account of their claims or interests are deemed to have rejected the plan and are not entitled to vote to accept or reject the plan. In this case, pursuant to the settlement of various intercompany matters described in the Plan, the holder of claims in Syms Class 5 (consisting entirely of intercompany claims against Syms) and Filene's Class 6 (consisting entirely of intercompany claims against Filene's) and the holder of interests in Filene's Class 7 (consisting entirely of Syms' ownership of its equity interest in Filene's) shall not retain or receive any property under the Plan. However, because each of these claims and interests are held exclusively by the Debtors, as plan co-proponents, each such class is deemed to have accepted the Plan.

C. Solicitation Package

Accompanying this Disclosure Statement are copies of (1) the Plan, a copy of which is attached hereto as Exhibit A; (2) the Bankruptcy Court's order, a copy of which is attached hereto as Exhibit B (the "Disclosure Statement and Solicitation Procedures Order") that approves this Disclosure Statement, sets forth the time for submitting ballots to accept or reject the Plan, and sets forth the date, time and place of the hearing to consider confirmation of the Plan and the time for filing objections to confirmation of the Plan; and (3) for those entitled to vote on the Plan, one or more ballots (and return envelopes) to be used in voting to accept or reject the Plan.

The Disclosure Statement and Solicitation Procedures Order also explains how the Debtors will tabulate the ballots that are cast on the Plan, including assumptions and procedures for tabulating ballots that are not completed fully or correctly. You should read the Disclosure Statement and Solicitation

Procedures Order and the instructions attached to the ballot you have received in this package in connection with this section of the Disclosure Statement.

D. Voting Procedures, Ballots, and Voting Deadline

After carefully reviewing the Plan, this Disclosure Statement and the detailed instructions accompanying your ballot, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed ballot. You must complete and sign your original ballot (copies will not be accepted) and return it in the envelope provided.

Each ballot has been coded to reflect the class of claims or interests it represents. Accordingly, in voting to accept or reject the Plan, you must use only the coded ballot or ballots sent to you with this Disclosure Statement.

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ON THE BALLOT AND RECEIVED NO LATER THAN _____, 2012 AT 5:00 P.M. (PACIFIC TIME) (THE "VOTING DEADLINE") BY KURTZMAN CARSON CONSULTANTS, LLC (THE "VOTING AGENT") AT THE ADDRESS BELOW.

THE BALLOT IS THE ONLY REQUIRED ITEM TO BE SENT TO THE VOTING AGENT. PLEASE DO NOT SEND EVIDENCE OF YOUR CLAIM AMOUNT OR ANY CERTIFICATES WITH YOUR BALLOT.

If you have any questions about (i) the procedure for voting your claim or interest or with respect to the packet of materials that you have received or (ii) the amount of your claim or interest, or if you wish to obtain an additional copy of the Plan, this Disclosure Statement, or any appendix or exhibit to the Plan or Disclosure Statement, please contact:

Kurtzman Carson Consultants, LLC
Re: Syms Corp., et al.
2335 Alaska Avenue
El Segundo, CA 90245
Attn.: Voting Department
Email: FilenesInfo@kccllc.com
Telephone: (877) 606-7510

E. Withdrawal of Ballots; Revocation; Changes to Vote

Any holder of a claim or interest who votes to accept or reject the Plan is entitled to withdraw its ballot at any time before the Voting Deadline. To do so, you must deliver a written notice of withdrawal to the Voting Agent. To be valid, a notice of withdrawal must (i) contain a description of the claim(s) or interests to which it relates and the total amount of such claim(s) or interests, (ii) be signed by the same person who signed the original ballot, (iii) contain a certification that the person withdrawing the ballot owns the claim(s) or interests and possesses the right to withdraw the vote sought to be withdrawn and (iv) be received by the Voting Agent before the Voting Deadline at the address set forth above. The Debtors expressly reserve the absolute right to contest whether any ballot has been validly withdrawn. Unless the Bankruptcy Court orders otherwise, if a notice of withdrawal is not timely received by the Voting Agent, it will not be considered valid to withdraw a previously cast ballot.

Any party who submits a ballot before the Voting Deadline is entitled to change such vote. To do so, you must submit a new, properly completed ballot for acceptance or rejection of the Plan. If a party

submits more than one properly completed ballot before the Voting Deadline, the Voting Agent will only count the ballot that bears the latest date for purposes of counting the ballot towards acceptance or rejection of the Plan.

F. Waivers of Defects and Other Irregularities

Unless otherwise directed by the Bankruptcy Court, the Voting Agent and the Debtors will determine whether the ballots cast on the Plan are valid and in the correct form and were timely received. Their determination will be final and binding. The Debtors reserve the right to reject any and all ballots that are not submitted in proper form, the acceptance of which would, in the opinion of the Debtors or their counsel, be unlawful. The Debtors further reserve the right to waive any defects or irregularities or conditions of delivery as to any particular ballot in order to allow such ballot to be counted.

Unless waived, any defects or irregularities in connection with deliveries of ballots must be cured within such time as the Debtors (or the Bankruptcy Court) determine. The Debtors and the Voting Agent are not obligated to notify any voting party that its ballot was deemed defective or that it was disregarded in the tabulation of votes, and the Debtors and the Voting Agent will not incur any liabilities for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of such ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not therefore been cured or waived) will be invalidated.

G. Confirmation Hearing and Deadline for Objections to Confirmation

The Bankruptcy Court will hold a hearing to determine whether to confirm the Plan on [_____, 2012 at ____ (Eastern Time)] before the Honorable Kevin J. Carey, United States Bankruptcy Judge for the District of Delaware, in the United States Bankruptcy Court for the District of Delaware, Courtroom 5, 824 N. Market Street, Wilmington, Delaware 19801. The Debtors may continue the confirmation hearing by announcing such continuance in open court, in an agenda for such hearing, or by filing a notice of the continuance. Any holder of a claim or interest has a right to attend the confirmation hearing.

The Disclosure Statement and Solicitation Procedures Order provides that objections, if any, to confirmation of the Plan must be filed with the clerk of the Bankruptcy Court and served so that they are RECEIVED on or before [_____, 2012, at ____ (Eastern Time)] by the following parties:

- (i) Syms Corp., et al, One Syms Way, Secaucus, New Jersey, 07904, Attn: Laura Brandt, Esq.;
- (ii) Counsel to the Debtors: Skadden, Arps, Slate, Meagher & Flom, LLP, One Rodney Square, Wilmington, Delaware 19801, Attn: Mark S. Chehi, Esq. and Jason M. Liberi, Esq. and Skadden, Arps, Slate Meagher & Flom, LLP, Four Times Square, New York, New York 10036, Attn: Mark A. McDermott, Esq. and Suzanne D.T. Lovett, Esq.;
- (iii) Counsel to the Official Committee of Unsecured Creditors: Hahn & Hessen LLP, 488 Madison Avenue, 15th Floor, New York, New York 10022, Attn: Mark T. Power, Esq., and Janine M. Cerbone, Esq.; and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Paul N. Heath, Esq., and Michael J. Merchant, Esq.;
- (iv) Counsel to the Official Committee of Syms Corp. Equity Security Holders: Munger, Tolles & Olson LLP, 355 South Grand Avenue, 35th Floor, Los Angeles, California

90071, Attn: Thomas B. Walper, Esq., Seth Goldman, Esq. and Bradley R. Schneider; and Morris Nichols Arshat & Tunnell LLP, 1201 N. Market Street, P.O. Box 1347, Wilmington, Delaware 19899, Attn: Robert J. Dehney, Esq., Gregory W. Werkheiser, Esq., and Matthew B. Harvey, Esq.; and

- (v) The Office of the United States Trustee, J. Caleb Boggs Federal Bldg., 844 North King Street, Room 2207, Lockbox 35, Wilmington, DE 19801, Attn: David Klauder, Esq.

IV. GENERAL INFORMATION ABOUT THE DEBTORS

A. Business Overview

1. Syms

Syms was founded in 1959. The company and the number of its retail stores grew over the years until, as of the Petition Date, it operated twenty off-price retail stores under the Syms brand name and five co-branded stores with Filene's. As of the Petition Date, Syms employed approximately 910 employees. Syms stores were located throughout the Northeast, Middle Atlantic, Midwest, Southwest and Southeast regions of the United States. Seventeen of the Syms stores operated in properties owned by Syms, and the other six Syms stores operated in properties that Syms leased from third party landlords. Syms owns its corporate headquarters facility in Secaucus, New Jersey, which also housed a distribution/warehouse facility until it was closed in December 2011. A list of the owned properties is attached to this Disclosure Statement as Exhibit C (the "Syms Owned Real Estate"). Syms is also a lessee under four separate ground leases underlying some of its owned properties.

Prior to the Petition Date, the Syms stores were known primarily for their men's tailored clothing, although they offered a broad range of first quality, in-season merchandise, bearing nationally recognized designer or brand-name labels, as well as shoes and accessories, for men, women and children at prices substantially lower than those generally found in department and specialty stores. Syms stores had as their tagline "An Educated Consumer Is Our Best Customer,"TM one of the best known and longest lasting taglines in retail. In addition to operating its retail stores, Syms currently operates as a commercial landlord, managing tenants under 25 leases in its properties located in Florida, Georgia, New York, New Jersey, Pennsylvania and Michigan.

2. Filene's

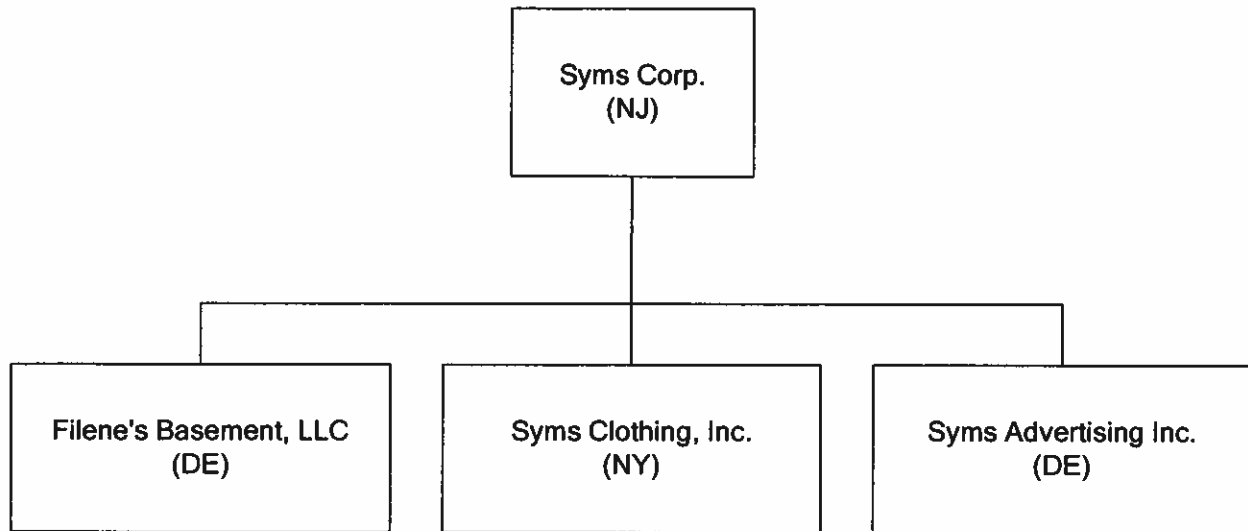
On June 18, 2009, a subsidiary of Syms -- SYL, LLC -- bought a substantial part of the operating assets of Filene's Basement Inc. after the latter had declared bankruptcy. These assets included real property leases, inventory, equipment and other assets. After SYL, LLC bought these assets, it changed its name to Filene's Basement, LLC. Filene's Basement, LLC is one of the Debtors in these Chapter 11 cases. As of the Petition Date, Filene's owned and operated twenty-one Filene's stores, including the Broadway location, and employed approximately 1,500 employees. The stores were located throughout the Northeast, Middle Atlantic, Midwest and Southeast regions of the United States. All of the Filene's premises were leased. Filene's also leased and operated a 457,000 square foot distribution facility in Auburn, Massachusetts and an off -site storage location in Landover, Maryland.

Like Syms stores, the Filene's stores offered a broad range of first quality, in-season merchandise bearing nationally recognized designer or brand-name labels at discounted prices for men, women and children. The Filene's stores were known for their selection of women's ready-to-wear clothing. Some of the Filene's stores also carried a selection of fine jewelry. The Filene's stores were known for their tagline "Where Bargains Were Born,"TM which demonstrates the brand's long-standing position as an original

off-price store. The Filene's stores were also known for their "Running of the Brides" events, which focused on bridal gowns and related apparel and were unique to Filene's.

B. Prepetition Corporate and Capital Structure

As noted above, there are four Debtors in these cases. The Debtors' corporate organization chart is below.



Syms remains a publicly-held New Jersey corporation. Prior to the Petition Date, Syms' common stock was listed on The NASDAQ Stock Market under the symbol "SYMS." As of the Petition Date, approximately 14.5 million shares of Syms' common stock were outstanding. Since the Petition Date, the price of Syms' common stock has ranged between \$7.72 and \$12.80 per share. Ms. Marcy Syms, the Chair of Syms, exercises voting control over approximately 54.7% of the Syms common stock.

Prior to the Petition Date, Syms and Filene's were joint borrowers under a secured \$75 million revolving credit facility pursuant to a credit agreement, dated as of August 27, 2009 (as amended) with Bank of America, N.A. as administrative and collateral agent. Syms' and Filene's obligations under the credit agreement were secured by liens on their respective inventory and other personal property and two parcels of Syms' Owned Real Property located in Paramus, New Jersey and Secaucus, New Jersey. At the time of the chapter 11 filing, the Debtors owed approximately \$31.3 million to Bank of America under the Credit Agreement, which included amounts owing for letters of credit. As described below, all amounts owed to Bank of America have been paid in full from the proceeds of the Debtors' store liquidation sales.

C. Events Leading to the Chapter 11 Cases

The Debtors experienced significant operational losses prior to the Petition Date. For instance, for the fiscal year ended February 26, 2011, the Debtors' combined losses before income taxes as reported in Syms' Form 10-K was \$51.7 million. For the three months ended October 29, 2011, the Debtors had combined losses of \$65.95 million as reported in the Company's Form 10-Q for the third quarter.

The Debtors' poor economic condition was attributable to numerous factors. The prolonged recession led to a lack of consumer confidence. Consumers' disposable income had been reduced and, as a result, were buying less often and buying fewer items, including the type of merchandise sold in Syms and Filene's stores. Moreover, many of the Filene's customers who were lost as a result of the Filene's

Basement Inc. bankruptcy filing did not return to shop at Filene's after the acquisition. Furthermore, the retail apparel business is highly competitive. Syms and Filene's stores faced increasing competition from discount stores, specialty apparel stores, department stores, manufacturer-owned factory outlet stores and other retail outlets, many of which are units of large national or regional chains that have substantially greater resources and buying power than the Debtors. The Debtors also faced increasing competition from e-commerce sites.

Additionally, the Debtors did not obtain the economic benefits they had expected from the acquisition of the Filene's Basement Inc. assets in June 2009. When the Filene's Basement Inc. assets were acquired, Syms hoped to achieve significant synergies and cost savings, so that each of Syms and Filene's could grow and be profitable. In particular, Syms wanted to spread corporate overhead over a larger store base while maintaining the separate identity – and longstanding history – of each of the companies and their respective stores, brand names and customer bases. The benefits of the acquisition did not materialize to the degree expected.

In light of the foregoing, in March 2011, the Debtors retained both Rothschild Inc. ("Rothschild") and Alvarez & Marsal Private Equity Performance Improvement, LLC ("A&M"). Rothschild was retained to initiate a process of identifying and evaluating strategic alternatives. A&M was retained to assist the Debtors with working capital and liquidity management, provide additional expertise to the Debtors in developing and implementing performance-enhancing initiatives, and, if and as appropriate, depending on the scope of the strategic alternatives process, provide due diligence support to the Debtors when third parties indicated interest as part of the strategic alternative process. A&M instituted inventory planning and allocation practices, eliminated non-performing categories of inventory, negotiated with sources of credit to establish more attractive credit lines, and recommended that certain of the Debtors' underperforming stores be closed.

Rothschild, at the direction of the Board of Syms, contacted numerous strategic, financial, and real estate buyers to gauge their interest in pursuing one or more transactions with the Debtors. The Debtors placed no restrictions on the types of proposals or transactions that they would consider. The process was exceptionally comprehensive and spanned six months, from May through October 2011. In July 2011, the Debtors also hired Cushman & Wakefield Securities, Inc. and Cushman & Wakefield, Inc. (together, "Cushman"), nationally known real estate firms, to assist the Debtors in evaluating options with respect to the Syms Owned Real Estate. Although the Debtors received indications of interest from various strategic, financial, real estate and liquidation firms, the Debtors ultimately determined with the assistance of their advisors that such indications were unacceptable and did not constitute viable bids for an out-of-court, going concern transaction.

Given the Debtors' decreased liquidity, reduced access to trade terms, and inability to replenish inventory on a timely basis or at the level required to sustain their operations, and in light of their ongoing business losses and the deterioration of the Syms and Filene's retail operations and the lack of any viable, strategic transaction alternatives, the Debtors concluded that they were unable to reorganize their operations on a stand-alone basis, and that their only viable option for maximizing stakeholder value was an orderly wind-down of their retail operations, followed by dispositions of the Syms Owned Real Estate. Accordingly, on November 2, 2011, the Debtors commenced their Chapter 11 cases and sought to immediately conduct store closing sales at all their retail locations.

V. THE CHAPTER 11 CASES

A. General

On the Petition Date, the Debtors filed various motions with the Bankruptcy Court requesting permission to continue operating various aspects of their business as the Debtors wound down their retail

operations. The Debtors were granted authority to continue honoring their obligations to their employees and customers; to continue paying their tax obligations in the ordinary course; and to continue operating their existing cash management system in the ordinary course. The Debtors are represented in the Chapter 11 cases by Skadden, Arps, Slate, Meagher & Flom LLP and Young Conaway Stargatt & Taylor, LLP as legal counsel. The Debtors also have retained A&M, Cushman and Rothschild to assist them in these Chapter 11 cases.

The Office of the United States Trustee thereafter appointed two statutory committees in these Chapter 11 cases (together, the "Committees"): an Official Committee of Unsecured Creditors (the "Creditors' Committee"), charged with a fiduciary duty to represent the interests of all the Debtors' creditors, and an Official Committee of Syms Corp. Equity Security Holders (the "Equity Committee"), charged with a fiduciary duty to represent the interests of all Syms shareholders. The members of the Creditors' Committee are (i) PVH Corp., (ii) Rabina Properties, LLC, (iii) Rosenthal & Rosenthal, Inc. and (iv) Vornado Realty Trust; the members of the Equity Committee are (i) DS Fund I, LLC, (ii) Esopus Creek Value Series Fund LP – Series "L", (iii) Franklin Value Investors Trust, Franklin Balance Sheet Investment Fund, (iv) Kahn Brothers Group, Inc., and (v) Marcato Capital Management, LLC.

Each of the Committees has retained restructuring advisors to assist them in these Chapter 11 cases. In particular, the Creditors' Committee has retained legal counsel, a financial advisor, and a real estate advisor as follows: (i) Hahn & Hessen LLP, (ii) Richards, Layton & Finger, P.A., (iii) Loughlin Management Partners & Company, Inc., and (iv) Abacus Advisors Group LLC. As of the date hereof, the Equity Committee has retained its own set of such professionals: (i) Munger, Tolles & Olson LLP, (ii) Morris, Nichols, Arsht & Tunnell LLP, (iii) PricewaterhouseCoopers LLP, (iv) Houlihan Lokey Capital, Inc., and (v) Retail Consulting Services, Inc., d/b/a RCS Real Estate Advisors.

B. Significant Events During the Chapter 11 Cases

1. Store Closing Sales

Immediately upon filing their Chapter 11 petitions, the Debtors sought Bankruptcy Court approval to conduct going-out-of-business sales with the assistance of a liquidation agent. On November 16, 2011, the Bankruptcy Court entered an order that authorized the Debtors to enter into an agency agreement with a joint venture between Gordon Brothers Retail Partners, LLC and Hilco Merchant Resources, LLC as liquidation agent to commence the store closing sales at the Debtors' then remaining thirty-nine store locations. The Bankruptcy Court further authorized the Debtors to assume an agency agreement that they had entered into prior to filing the Chapter 11 cases with respect to five Filene's retail locations and to continue store closing sales that had been commenced at those locations.

The commencement of these Chapter 11 cases and the store closing sales were timed to coincide with the holiday shopping season so that the Debtors could have the benefit of, among other things, the "Black Friday" shopping weekend after the Thanksgiving holiday. The Debtors sold virtually all their inventory and much of their furniture, fixtures and equipment during the store closing process. The sales concluded across their various locations in the last days of December 2011. As of December 31, 2011, the Debtors had ceased retail operations at all of their stores and vacated all their leased retail store and distribution center locations.

Pursuant to the agency agreement with the liquidators, the Debtors received an initial, guaranteed payment of approximately \$44.25 million. The Debtors used \$33.2 million from this payment to pay in full all amounts accrued and owed to the Debtors' secured lender, Bank of America. Upon conclusion of the store closing process, the Debtors and the liquidators audited and reconciled the results of the store closing sales. The Debtors received additional payments in accordance with the agency agreement of

\$8.8 million. Thus, the total amount that the Debtors received under the agency agreement in connection with their store closing sales totaled \$53.1 million.

2. Real Estate Matters

As of the Petition Date, the Debtors were lessees under twenty-four commercial real estate leases. The Debtors, with the assistance of the Committees, developed a process for marketing those leases in an effort to sell them or to terminate one or more of them with the agreement of their landlords in order to minimize costs and claims under such leases. On December 16, 2011, the Bankruptcy Court entered an order that approved the Debtors' proposed procedures for the disposition of their leases. Hilco Real Estate, LLC was retained to assist the Debtors, and conducted an extensive lease marketing process.

The Debtors ultimately obtained limited interest in their leases. For example, Syms negotiated the sale of only one of its leases, for the store located at 2220 Broadway, New York, NY. The lease was sold to DSW Inc. for approximately \$495,000. As part of the lease transfer, Syms agreed to grant DSW an allowed administrative claim of \$1.6 million as a tenant improvement allowance. The Debtors otherwise negotiated consensual terminations of three of their leases with their respective landlords. With the exception of their long-term ground leases, the Debtors rejected all of their remaining leases and vacated such leased premises as of December 31, 2011.

Under the Bankruptcy Code, when a debtor rejects a real estate lease, the rejection is considered a breach that gives rise to a claim for breach by the landlord against the debtor. However, the Bankruptcy Code imposes certain caps on the maximum amount of breach claims that a landlord may assert. Filene's estimates that lease rejection claims against it total approximately \$51.4 million. Syms estimates that lease rejection claims against it total approximately \$4.6 million. However, Syms provided full and partial guarantees to certain of Filene's landlords; the claims against Syms on account of such guarantees are estimated at approximately \$14.6 million. The Debtors, with the significant pre-petition assistance of Cushman and later, the Equity Committee, negotiated a consensual termination of the Syms lease of its store located at 530 Fifth Avenue in New York City. That agreement avoided a potential rejection claim against Syms of approximately \$8.4 million, and also resulted in a payment to Syms by the landlord of \$400,000.

As described herein, Cushman and Rothschild have worked together on the Debtors' behalf to consider various alternatives for maximizing the value of the Syms Owned Real Estate. To that end, Cushman commenced a comprehensive, nationwide process to identify one or more buyers and/or tenants of one or more parcels of the Syms Owned Real Estate. Cushman and Rothschild have also considered various options for financing one or more parcels of the Syms Owned Real Estate. As of the date of this Disclosure Statement, the Debtors have received several expressions of interest in various parcels, and obtained Bankruptcy Court approval to enter into a lease of Syms' Southfield, Michigan location.

3. Intellectual Property Matters

As of the Petition Date, Filene's owned certain intellectual property assets consisting of, among other things, (i) all of the Debtors' worldwide trademarks, including more than forty (40) registered United States trademarks as well as foreign and state registered marks; (ii) seventy (70) internet domain names including www.syms.com and www.filenesbasement.com; (iii) a perpetual, royalty-free license agreement with Macy's for the Filene's Basement trademark; and (iv) all of the Debtors' customer information databases, which primarily consists of close to two million names, addresses and/or email addresses of customers who joined one of the Debtors' two customer loyalty programs, the *Syms Educated Consumer* program and the *Filene's Basement Fan Club* (collectively, the "IP Assets"). In addition to the retail name marks, the Syms-related IP Assets include house brands such as *Stanley*

Blacker and Maine Bay. The Filene's IP Assets include trademarks and intellectual property related to their well-known *Running of the Brides* event.

The Debtors retained Hilco IP Services LLC d/b/a Hilco Streambank as their intellectual property disposition consultant to market the IP Assets. In consultation with the Committees and with the assistance of their professionals, the Debtors also proposed a set of procedures for the auction and sale of the IP Assets and requested the appointment of a consumer privacy ombudsman to ensure the protection of any consumer-related personally identifiable information included amongst the IP Assets. On April 9, 2012, the Bankruptcy Court entered an order approving the Bidding Procedures. On April 10, 2012, the Office of the United States Trustee appointed Todd B. Ruback as the consumer privacy ombudsman. As of the date hereof, the Debtors have received several expressions of interest in the IP Assets, but have not yet entered into a definitive sale agreement.

4. Employee-Related Matters

As noted above, at the inception of these Chapter 11 cases, the Debtors obtained Bankruptcy Court authority to honor certain of their obligations to their employees in the ordinary course of business, including salaries, wages, and related benefits. Upon conclusion of the store closing sales in December, 2011, all store-level employees were terminated. The Debtors continue to employ a small group of corporate employees who are assisting the Debtors in the wind-down of their operations.

As a result of these employee terminations and the Debtors' cessation of their retail operations, the Debtors incurred significant obligations to their former employees that the Debtors unfortunately could not honor in the ordinary course due to restrictions imposed by the Bankruptcy Code. In particular, Syms is obligated on approximately \$2.4 million in severance obligations to its former employees, and Filene's is obligated on approximately \$2.5 million in such obligations to its former employees. A union representing certain of the Debtors' employees asserted that the Debtors owe an additional \$1.3 million in post-petition severance claims under the Worker Adjustment and Retraining Notification Act ("WARN"). The union filed an unfair labor practice charge against the Debtors in connection with this matter. The charge was dismissed, but is currently pending on appeal before the National Labor Relations Board. The Debtors dispute the union's claims.

Finally, Syms has certain obligations in connection with various pension plans. In particular, Syms has underfunded pension liabilities of approximately \$2.3 million, and it further has received demands for approximately \$6.5 million on account of its withdrawal from two of its multi-employer pension plans. These pension-related obligations and the severance obligations summarized above constitute general unsecured claims against the Debtors that will be paid in accordance with the Plan. The claim for the asserted WARN violation would, if allowed, constitute a post-petition, administrative priority claim and would be entitled to be paid in full under the Plan.

VI. OVERVIEW OF CLAIMS, ASSETS, AND THE BUSINESS PLAN

A. Overview of Claims and Assets

On December 22, 2011, each of the Debtors filed with the Bankruptcy Court separate schedules of assets and liabilities and statements of financial affairs as required by the Bankruptcy Code. Only two of the Debtors – Syms and Filene's – listed assets and liabilities. The other two Debtors, Advertising and Clothing, are mere shell entities with no assets or liabilities. The schedules and statements for each of Syms and Filene's were prepared based on their books and records and therefore do not necessarily reflect the actual values of their assets or the amounts of claims that ultimately will be allowed in these Chapter 11 cases.

On January 18, 2012, the Bankruptcy Court entered an order establishing March 1, 2012 as the bar date for creditors to file their claims with the Bankruptcy Court. The order also established May 4, 2012 as the bar date for governmental units to file their claims with the Bankruptcy Court. As of the bar dates, approximately 1,352 claims were filed against Syms in the total liquidated amount of approximately \$117.5 million, and approximately 1,409 claims were filed against Filene's in the total liquidated amount of approximately \$116 million. The Debtors are in the process of reviewing and reconciling claims, have filed several objections to numerous claims, and anticipate filing additional objections over the course of the next several months.

The total amount of claims asserted to date is in excess of the amounts that the Debtors believe ultimately will be allowed. In the experience of the Debtors' restructuring advisors, claims filed by creditors typically vastly exceed the amounts reflected on a debtor's books and records and the amounts which eventually are allowed and paid. As noted in the "Overview of the Plan" section of this Disclosure Statement above, the Debtors believe that total general unsecured claims against Syms are roughly \$62.3 million, and that total general unsecured claims against Filene's are roughly \$47.3 million.

The general unsecured claims which Syms estimates it is liable for can be broken down into three main groups. First, general unsecured claims against Syms include trade claims against it of approximately \$16.1 million and claims of Filene's trade creditors that Syms has guaranteed in the approximate amount of \$3.8 million. Second, as noted above, Syms estimates that it has total exposure to landlords on account of rejection of Syms leases and rejection of Filene's leases that Syms has guaranteed, in whole or in part, in the amount of approximately \$20.7 million. Third, Syms estimates that it has total under-funded liability and withdrawal liability with respect to its pension plans of approximately \$14.4 million, plus unpaid severance obligations to its employees in the total amount of approximately \$2.4 million. Additionally, Syms created a disputed claims reserve of \$5.0 million.

In the case of Filene's, general unsecured claims also can be broken down into three main groups. First, Filene's estimates that it has total trade claims (i.e., "short-term claims") against it of approximately \$3.0 million. Second, as noted above, Filene's estimates that it has total exposure to landlords on account of rejection of unguaranteed Filene's leases (i.e., "long-term claims") in the amount of approximately \$36.8 million. Filene's exposure on rejected lease claims is far greater than Syms' exposure because Filene's leased all its locations, whereas Syms leased only a few of its locations. Third, Filene's estimates that it has unpaid severance obligations to its employees in the total amount of approximately \$2.5 million. Filene's also created a disputed claims reserve of \$5.0 million.

As noted above, Syms' primary assets include cash from the store liquidation sales and the Syms Owned Real Estate. Filene's primary assets include cash from the store liquidation sales and various intellectual property assets, including the Syms trade mark. Both Debtors also retain the right to bring certain lawsuits against third parties, which could result in settlements of judgments in favor of the Debtors. Syms currently is holding approximately \$5.5 million in cash, and Filene's currently is holding approximately \$8.6 million in cash. These amounts are net of the amount that Syms and Filene's paid in November 2011 to Bank of America in satisfaction of their obligations under their prepetition secured credit facility. These amounts also reflect cash balances held by each entity at the inception of the Chapter 11 cases and other cash amounts and reserves, net of post-petition operating expenses.

As noted above, the Syms Owned Real Estate includes 17 parcels of commercial real estate located throughout the United States, certain of which Syms leases to third party commercial tenants, as well as a residential condominium in Secaucus, New Jersey. Attached hereto as Exhibit C is a chart that summarizes basic information about each parcel of Syms Owned Real Estate, including its location, size, and, where applicable, certain tenant information. Syms, with the assistance of Cushman, has estimated

that the aggregate net realizable value of the Syms Owned Real Estate from a commercially reasonable disposition process is approximately \$149.5 million.

B. Overview of Syms Business Plan

1. Disposition of Syms Owned Real Estate

As described above, prior to the Petition Date, Syms had begun considering different alternatives with respect to the Syms Owned Real Estate. In particular, Syms, with the assistance of Rothschild, attempted to find one or more transaction partners with respect to both its retail and real estate assets, as well as considered other possible alternatives for the Syms Owned Real Estate other than a liquidation.

Syms' efforts to consider various alternatives for the Syms Owned Real Estate continued post-petition with the assistance of Cushman and Rothschild and with the input of the Creditors' Committee and the Equity Committee and their advisors. This included consideration of the possibility of reorganizing as a real estate holding company that, in either case, would hold, manage, and lease the Syms Owned Real Estate on a long term basis for the benefit of Syms shareholders or, alternatively, reorganizing as a real estate investment trust.

There were many factors that Syms considered as part of this evaluative process. For instance, the Debtors have significant net operating loss tax assets ("NOLs") of approximately \$101.1 million that could be of value in certain reorganization scenarios. However, the value of the NOLs could be significantly limited in certain other reorganization scenarios. Moreover, while it is possible that the value of the Syms Owned Real Estate could appreciate in value if held and managed long-term, there are carrying costs to do so, as well as execution and other risks, including the risk that values will not increase as anticipated; that the costs of developing the real estate and locating tenants, which are significant, could be greater than anticipated; and that hoped-for rent and income levels would not be achieved.

The Debtors also considered the fact that many of the parcels of Syms Owned Real Estate are located in disparate locations; that efforts to reorganize around a core group of such parcels arguably could be focused only on those parcels located in and around the New York City metropolitan area; and that the Syms Owned Real Estate collectively is comprised of relatively few locations as to which Syms may not be able to achieve operational efficiencies and synergies in managing them. Based upon all the foregoing considerations, the Debtors ultimately determined, with the assistance of Cushman and Rothschild, that the value of the Syms Owned Real Estate will be maximized by selling the entire portfolio over time, in a non-distressed, commercially reasonable manner.

In particular, Syms anticipates selling the parcels either "as is," i.e., vacant in certain cases, or after they have been leased to one or more commercial tenants and related improvements have been made, with the determination of which alternative to pursue being made on a parcel-by-parcel basis based on Reorganized Syms' business judgment. Syms anticipates that the disposition process could take up to four years. Projections of estimated carrying costs and related budgets for maintaining the properties and disposing of them are attached to this Disclosure Statement as Exhibit F.

As part of Syms' business determination, and in order to fund certain costs of holding the Syms Owned Real Estate post-confirmation and to make payments to administrative claimants and other creditors under the Plan, Syms may procure financing ("Exit Financing") in the form of an exit facility, the terms of which will be set forth in the Plan Supplement.

2. Resolution of Intercompany Matters

Syms' separate assets, including the Syms Owned Real Estate, are sufficient to pay all its creditors, including Filene's creditors that Syms guaranteed, in full while affording a dividend to its shareholders. There is a dispute, however, between Syms and the Equity Committee, on the one hand, and the Creditors' Committee, on the other hand, regarding whether Filene's creditors also should be paid in full. In particular, while the Filene's estate currently has limited liquid assets available for its unsecured creditors, the Creditors' Committee has asserted that (i) Filene's has significant claims against Syms that, once liquidated and paid from the proceeds of the disposition of Syms' Owned Real Estate, will allow Filene's creditors to be paid in full, and (ii) aside from such claims, Filene's bankruptcy estate should be substantively consolidated with the Syms bankruptcy estate, the result of which would be that Filene's creditors would share in the proceeds of the disposition of Syms' Owned Real Estate.

Each of these two theories is described in greater detail below. However, if one were to assume that the Creditors' Committee did not prevail on either of its two theories, and further assuming that the Syms Owned Real Estate ultimately is disposed of for approximately \$149.5 million and total claims are as estimated in this Disclosure Statement, then the Debtors estimate that Filene's creditors would receive approximately __ cents on the dollar, and that Syms shareholders would receive approximately \$__ per share. If, however, the Creditors' Committee were to prevail on one or both of its theories, then, based on the foregoing assumptions, then Filene's creditors would be paid in full, and Syms shareholders would receive approximately \$__ per share.

a. Asserted Intercompany Claims

The Creditors' Committee has raised four main issues respecting intercompany claims. The first relates to the secured claim of the Debtors' pre-petition lender, Bank of America, N.A. As of the petition date, Bank of America was owed approximately \$33.2 million. As noted above, this amount was paid in full from proceeds of the store closing sales. The issue between Syms and the Equity Committee, on the one hand, and the Creditors' Committee, on the other hand, is whether this amount should be deemed repaid solely by Syms, or proportionally by both Syms and Filene's based on their allocable share of the store liquidation proceeds. The Creditors' Committee has asserted that since the liability to Bank of America was carried exclusively on Syms' internal books and records prior to the petition date, then repayment of Bank of America's claim should have been made solely out of Syms's share of the store liquidation proceeds. This position, if adopted, would result in Filene's having another approximately \$15 million in store disposition proceeds available for Filene's general unsecured creditors, thereby significantly enhancing their recovery.

Syms and the Equity Committee, on the other hand, dispute this contention. They have taken the position that since both Syms and Filene's were joint obligors on the Bank of America debt, each of Syms and Filene's is responsible for its allocable share of the total debt, with such allocation determined based on each entity's share of the store liquidation proceeds. Syms and the Equity Committee believe this is consistent with the fact that the Bank of America loan was a revolving credit facility, and that the available borrowing base was a function of both Syms's and Filene's available inventory. Indeed, Syms and Filene's entered into the Bank of America facility for Filene's benefit at the time that Syms acquired the Filene's operating assets in 2009. Prior to that time, Syms had no need for a revolving facility from Bank of America.

Second, the Creditors' Committee asserts that Syms owes Filene's significant royalty payments on account of Filene's ownership of Syms's trademarks and tradenames. In support of its assertion, the Creditors' Committee has pointed to a license agreement between the two entities, originally entered into in 1986, that contemplated Syms' payment of a royalty fee equal to a percentage of net merchandise sales.

Based on this assertion, the Creditors' Committee believes that Syms owes Filene's at least \$11 million for the period since Syms acquired Filene's in 2009.

Syms and the Equity Committee dispute these contentions. The entity that is currently named "Filene's" previously was known as SYL, Inc. That entity was formed in 1986 in connection with certain tax planning strategies that Syms was undertaking at the time. In particular, SYL, Inc. was formed as a wholly-owned subsidiary of Syms with a single purpose: to hold the Syms trademarks and trade names. SYL, Inc. and Syms simultaneously entered into the license agreement, the purpose of which was to afford various tax benefits. This arrangement remained in place until December 2003. It was discontinued at that time, however, as a result of challenges brought by various state taxing authorities, not only against Syms but also against numerous other companies that had implemented such intercompany arrangements.

Accordingly, since FYE 2003, Syms and SYL, Inc. have not observed any aspect of this arrangement: no royalties were paid, and no tax benefits were realized. SYL, Inc. had no assets or operations other than this intellectual property until June 2009, when SYL, Inc. was utilized as the vehicle for acquiring the Filene's Basement operating assets. At that time, SYL, Inc. was converted to a limited liability company and was renamed Filene's Basement LLC. While the intellectual property was left in Filene's, Filene's did not use it; no royalties were paid; and no tax benefits were realized by Syms.

Based upon the foregoing, Syms and the Equity Committee dispute the Creditors' Committee's assertions that Syms became obligated, beginning in June 2009 when it acquired Filene's, to start paying royalties to Filene's, and that Filene's bankruptcy estate has a claim against Syms for unpaid royalties. Because the arrangement between Syms and Filene's was discontinued almost six years before Filene's was acquired, in the view of Syms and the Equity Committee, the Creditors' Committee cannot now credibly create a claim for millions of dollars in asserted, unpaid royalties.

Third, the Creditors' Committee asserts that certain claims that Syms has against Filene's should be equitably subordinated or recharacterized as equity. If the Creditors' Committee were to succeed in these assertions, then remaining Filene's creditors would be entitled to a proportionally greater recovery. The Creditors' Committee's assertions relate to a \$33 million prepetition, general unsecured, intercompany claim that Syms has against Filene's, plus subrogation claims of approximately \$ 18.4 million that Syms would be entitled to assert under guarantees of certain Filene's trade claims and leases. The Creditors' Committee asserts that because Syms and Filene's never documented these matters as loans or claims; because Filene's did not make payments on them; and because Filene's had limited ability to repay them, then these amounts should be deemed capital contributions rather than loans.

Syms and the Equity Committee, on the other hand, assert that Syms afforded significant financial support to Filene's for which Syms should be given appropriate credit. This support allowed Filene's to operate and pay its creditors for much of the time that it was owned by Syms. This support, accordingly, benefited Filene's and its creditors. Indeed, the amount of the \$33 million pre-petition intercompany claim is roughly equivalent to the amount of Filene's cumulative losses during the period of time that Syms owned it. At a minimum, therefore, it is only equitable that this claim be available to offset whatever other claims the Creditors' Committee asserts.

Finally, the Creditors' Committee has asserted that Syms owes Filene's various other amounts, totaling approximately \$7.4 million, on account of a tax refund, a portion of which should have been paid to Filene's; various distribution costs that Filene's paid that should have been allocated, in part, to Syms; and proceeds from sales of certain Syms and Filene's co-branded stores. Syms and the Equity Committee dispute certain of these contentions. The undisputed contentions are reflected in the estimated distributions to Filene's creditors summarized above.

b. Asserted Substantive Consolidation

In addition to, and as an alternative to, the foregoing, the Creditors' Committee has asserted that it believes that Syms and Filene's historically operated as a single entity; that the Debtors cannot meaningfully distinguish Syms creditors from Filene's creditors; that all creditors effectively dealt with Syms and Filene's as a single entity; that intercompany claims and accounts between the Debtors should be ignored; and hence, that all creditors should be allowed to be paid from all assets of both Syms and Filene's, including the Syms Owned Real Estate. These assertions are based on a doctrine in bankruptcy known as "substantive consolidation" under which a bankruptcy court has the power to disregard the separate forms of affiliated legal entities; to pool the assets of, and claims against, the consolidated bankruptcy estates; to disregard any and all intercompany claims; and to satisfy all creditors' claims from the common fund.

There are no statutorily-prescribed standards for determining whether two legal entities operated as one or whether their bankruptcy estates should be substantively consolidated. Instead, the propriety of doing so must be determined on a case-by-case basis based on all the particularized facts and circumstances of the estates in question. The two, judicially-created standards for determining whether separate estates should be substantively consolidated are easily stated, but difficult to apply in practice: whether separate entities so disregarded their separateness that creditors relied on the breakdown of entity borders and treated them as one legal entity, or whether the entities' assets and liabilities are so hopelessly scrambled that separating them is prohibitive and hurts all stakeholders.

The Creditors' Committee arguably could make allegations about several aspects of the Debtors' historic operations in support of its assertion that Syms and Filene's effectively operated as a single legal entity and hence, that all creditors should be paid in full, including that Syms hoped to achieve operational synergies when it acquired Filene's in 2009; that Syms and Filene's integrated certain of their operations in pursuit of such synergies; that certain aspects of the Debtors' merchandising, purchasing, warehousing, distribution and sales practices allegedly were integrated to the point where one could not differentiate the product lines and families of merchandise between Syms and Filene's; that Syms and Filene's had a single credit facility based on a common borrowing base and a common cash management system; and that the Debtors had co-branded stores and used both Syms and Filene's logos on checks, purchase orders, corporate letterhead, promotional materials, and employee nameplates.

Syms and the Equity Committee, however, could make contrary allegations that support their view that Syms and Filene's operated as distinct legal entities and that their estates therefore should not be substantively consolidated, including that Syms and Filene's had separate stores, separate websites, and separate advertisements and promotions; that the Debtors' pre-petition revolving lender treated them as two separate entities by requiring both of them to become borrowers under the lending facility; that vendors invoiced Syms and Filene's separately based on their historic business dealings prior to the acquisition of Filene's assets, with such vendors being paid from accounts owned by Syms and Filene's, respectively; that many other Filene's vendors and landlords dealt with Syms and Filene's as separate entities, as evidenced by some Filene's vendors and landlords negotiating for Syms guarantees, whereas others negotiated that term away in favor of enhanced economics; and that the Debtors' unions viewed Syms and Filene's as separate employers by negotiating separate collective bargaining agreements to govern relationships with Syms' and Filene's separate pools of employees.

c. Proposed Settlement

Syms acknowledges that litigation over these matters likely would be very expensive and protracted, thereby delaying the Debtors' exit from Chapter 11 and reducing recoveries for Syms shareholders. Syms also acknowledges that the results of litigation over these matters is not free from doubt. Syms and the Equity Committee, on the one hand, the Creditors' Committee, on the other hand,

each have various factual and legal strengths and weaknesses to their various positions. Accordingly, in order to avoid the expense and delay of protracted litigation over these matters and avoid the risk to Syms shareholders of adverse judicial rulings that order the Syms and Filene's estates to be substantively consolidated or that otherwise could result in enhanced recoveries to Filene's creditors, the Debtors propose a compromise and settlement as summarized in the Plan.

Under this proposed plan settlement, Syms creditors would be paid in full. Filene's general unsecured creditors, however, would be broken into two separate groups: Filene's General Unsecured (Short Term) Creditors and Filene's General Unsecured (Long Term) Creditors. As described above, the former group includes claims primarily for unpaid trade payables and employee severance claims in the estimated amount of approximately \$10.5 million, whereas the latter group includes non-guaranteed claims by Filene's landlords for lease rejection claims in the estimated amount of approximately \$36.8 million. Under the proposed settlement, Syms would ensure that the former group is paid in full, whereas the latter group is paid [75] cents on the dollar.

The reason for this distinction is that holders of trade claims and employees for severance and related claims arguably may have stronger arguments that, from their perspective, Syms and Filene's appeared to have operated as a unitary enterprise and hence, that their bankruptcy estates should be substantively consolidated. Syms by no means believes this to be the case, but given the risks and costs of litigation, and given the relatively small amount of claims in this group in relation to the potential costs of such litigation, Syms concluded to simply pay such claims in full rather than dissipate value on litigation expense.

In Syms' view, however, the Filene's landlords in the latter group have a weaker legal position, not only in connection with the intercompany claims articulated by the Creditor's Committee noted above, but also in connection with their assertions that the Syms and Filene's estates should be substantively consolidated. In particular, in Syms' view, those landlords cannot as credibly assert that Syms and Filene's so disregarded their separateness that these landlords relied on the breakdown of entity borders and treated Syms and Filene's as one legal entity.

To the contrary, each of those landlords is a sophisticated real estate enterprise who had contractual relationships in place with the Filene's business at the time it was acquired by Syms. Some of those landlords chose to keep those contractual arrangements in place unaltered, whereas others chose to negotiate guarantees from Syms or other enhanced economics in lieu of such guarantees. Whereas employees and certain trade vendors arguably may not have appreciated the distinction between the two entities after the acquisition, the landlords cannot as easily assert that they were misled or did not know the difference between the two.

Notwithstanding the foregoing, Syms acknowledges the risks and significant expenses of litigation, including the potential delays occasioned by litigation. In light of these risks, Syms is prepared to ensure, through the Plan, that Filene's landlords will receive [75] cents on the dollar in full and final compromise of their claims.

Under section 1123(b)(3)(A) of the Bankruptcy Code and Rule 9019 of the Bankruptcy Rules, a settlement should be approved if it represents a reasonable compromise that is in the collective best interests of all constituencies in light of the risks of continued litigation. The settlement need not afford the best possible recovery to any particular constituency, but instead need only represent a recovery that falls within a reasonable range of litigation possibilities. The Debtors believe that the foregoing settlement, which does not allow either Syms shareholders or creditors of Filene's to receive all that they would like to receive, falls within a reasonable range of litigation outcomes and is in the collective best interest of all stakeholders in light of the costs, delay, and risks of litigation. Moreover, the proposed

settlement terms and treatment of creditors (including Filene's creditors) facilitates plan feasibility through its implementation of deferred payments to creditors of Reorganized Syms.

C. Sources and Uses of Cash/Assets; Estimated Distributions

Attached as Exhibit E to this Disclosure Statement is a sources and uses statement that summarizes the sources, uses, and amounts of cash as of the effective date of the Plan, including borrowings under an Exit Financing facility. The Debtors have estimated the effective date of the Plan to be [July 31, 2012] though, as noted in the Risk Factors to this Disclosure Statement, there is no assurance that the Plan will become effective by that date.

VII. DETAILED SUMMARY OF THE PLAN

THIS SECTION PROVIDES A DETAILED SUMMARY OF THE STRUCTURE, CLASSIFICATION, TREATMENT AND IMPLEMENTATION OF THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT, AND TO THE EXHIBITS ATTACHED THERETO. THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN WILL CONTROL THE TREATMENT OF CREDITORS AND EQUITY SECURITY HOLDERS UNDER THE PLAN AND WILL, UPON THE EFFECTIVE DATE, BE BINDING UPON HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTORS AND OTHER PARTIES IN INTEREST.

A. Purpose and Effect of the Plan

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize its business for the benefit of its creditors and shareholders. As a general matter, a plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by a bankruptcy court makes such plan binding upon a debtor and any creditor of or equity security holder in such debtor, whether or not such creditor or equity security holder (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan.

Under the Plan, claims against, and interests in, the Debtors are divided into classes according to their relative seniority and other criteria. If the Plan is confirmed by the Bankruptcy Court and becomes effective, the claims and interests of the various classes will be treated in accordance with the Plan provisions for each such class. On the date that the Plan becomes effective, known as the "Effective Date," and at certain times thereafter, distributions will be made to each Debtor's creditors and Syms' shareholders as provided in the Plan. At the beginning of this Disclosure Statement is a table that summarizes the classification and treatment of claims and interests against the Debtors. What follows below is a more detailed description of the classes of claims against the Debtors created under the Plan, the treatment of those classes under the Plan, and the property to be distributed under the Plan.

B. Classification and Treatment of Claims and Interests

1. Treatment of Unclassified Claims Against Syms and Filene's

(a) Administrative Claims

An Administrative Claim means a claim arising under Bankruptcy Code section 507(a)(2) for costs and expenses of administration of the Chapter 11 Cases under Bankruptcy Code sections 503(b), 507(b), or 1114(e)(2), including: (a) any actual and necessary costs and expenses, incurred after the Petition Date, of preserving the estates and operating the businesses of the Debtors (such as wages,

salaries and commissions for services and payments for inventory, leased equipment and premises) and claims of governmental units for taxes (including tax audit claims related to tax years commencing after the Petition Date, but excluding claims relating to tax periods, or portions thereof, ending on or before the Petition Date); and (b) all other claims entitled to administrative claim status pursuant to a final order of the Bankruptcy Court, but excluding Priority Tax Claims, Non-Tax Priority Claims and Professional Fee Claims.

As explained above, on January 18, 2012, the Bankruptcy Court issued an order setting an Initial Administrative Bar Date of 5:00 p.m. (Eastern) on March 1, 2012, for all Administrative Claims first arising on or before December 31, 2011 (Dkt. 674).

Pursuant to the Plan, on, or as soon as reasonably practicable after the later of, (i) the Initial Distribution Date or (ii) the Distribution Date immediately following the date on which an Administrative Claim becomes an Allowed Administrative Claim, each Holder of such Allowed Administrative Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Administrative Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Administrative Claim, or (b) such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing

The Debtors have estimated that the aggregate amount of Allowed Administrative Claims payable under the Plan will be approximately \$19.5 million for Syms and \$11.4 million for Filene's.

(b) Superpriority Intercompany Claims

Superpriority Intercompany Claims are claims by any other Debtor against Syms that arose on account of goods, services or other value provided after the Petition Date. Filene's holds such a claim against Syms in the amount of approximately \$2.7 million. Pursuant to the Plan Settlement, the Holders of Superpriority Intecompany Claims shall not receive or retain any property under the Plan on account of such Claims. On the Effective Date, all Superpriority Intercompany Claims shall be deemed offset, cancelled and extinguished.

(c) Priority Tax Claims

A Priority Tax Claim means a claim of a governmental unit of the kind specified in Bankruptcy Code sections 502(i) or 507(a)(8).

Under the Plan, except to the extent that an Allowed Priority Tax Claim has been paid prior to the Initial Distribution Date, on, or as soon as reasonably practicable after the later of, (i) the Initial Distribution Date or (ii) the Distribution Date immediately following the date on which a Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Tax Claim, payable from the Syms Assets, or (b) such other less favorable treatment as to which such Holder and the Debtors shall have agreed upon in writing..

The Debtors have estimated that the aggregate amount of Allowed Priority Tax Claims payable under the Plan will be approximately \$0.00 at Syms and 1.35 million at Filene's.

2. Classification and Treatment of Claims and Interests

(a) Secured Claims

(i) Syms Class 1 Secured Claims – Unimpaired

Syms Secured Claims are claims secured by a lien on collateral or that are subject to a right of setoff. Syms received authority to pay in full the secured claim of Syms' primary secured creditor, Bank of America, N.A., from proceeds of Syms store closing sales. Syms believes that there may be certain other secured claims arising out of its workers compensation program. Under the Plan, any holder of a Syms Secured Claim shall receive (i) Cash equal to the value of its Allowed Secured Claim, (ii) the Collateral securing the Secured Claim, or (iii) such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing.

(ii) Filene's Class 1 Secured Claims – Unimpaired

Filene's Secured Claims are claims secured by a lien on collateral or that are subject to a right of setoff. Filene's received authority to pay in full the secured claim of Filene's primary secured creditor, Bank of America, N.A., from proceeds of Filene's store closing sales. Filene's believes that there may be certain Secured Claims arising out of its workers compensation program. Under the Plan, each holder of an allowed Filene's Secured Claim shall receive (i) Cash equal to the value of its Allowed Secured Claim, (ii) the Collateral securing the Secured Claim, or (iii) such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing.

(b) Non-Priority Tax Claims

(i) Syms Class 2 Non-Priority Tax Claims – Unimpaired

A Syms Non-Tax Priority Claim is a pre-petition claim that is entitled to priority under the Bankruptcy Code, other than an Administrative Claim or a Priority Tax Claim. Such claims include claims by employees for unpaid wages and similar amounts, along with the claims of Syms customers for deposits and similar matters. Under the Plan, each holder of an Allowed Non-Tax Priority Claim shall receive Cash payable from the Syms Assets in an amount equal to its Allowed Non-Tax Priority Claim plus interest at the Case Interest Rate.

(ii) Filene's Class 2 Non-Priority Tax Claims – Unimpaired

A Filene's Non-Tax Priority Claim is a pre-petition claim that is entitled to priority under the Bankruptcy Code, other than a section 503(b)(9) Administrative Claim or a Priority Tax Claim. Such claims include claims by Filene's employees for unpaid wages and similar amounts, along with claims of Filene's customers for deposits and similar matters. Under the Plan, each holder of an Allowed Non-Tax Priority Claim shall receive Cash payable from the Filene's Segregated Fund in an amount equal to its Allowed Non-Tax Priority Claim plus interest at the Case Interest Rate..

(c) Unsecured Claims

(i) Syms Class 3 Convenience Class – Unimpaired

Syms Class 3 consists of Syms Convenience Class Claims and is an impaired class of claims. A convenience class claim is any allowed unsecured claims against Syms in an amount which is less than \$10,000, or is a greater amount but the holder of such claim elects to reduce such claims to \$10,000 in

order to be treated in this class. A holder of an Allowed Syms Convenience Class Claim shall receive Cash payable from the Syms Assets in an amount equal to its Allowed Convenience Claim.

(ii) Filene's Class 3 Convenience Claims – Unimpaired

Filene's Class 3 consists of Filene's Convenience Class Claims and is an impaired class of claims. A convenience class claim is any allowed unsecured claims against Filene's in an amount which is less than \$10,000, or is a greater amount but the holder of such claim elects to reduce such claims to \$10,000 in order to be treated in this class. A holder of an Allowed Filene's Convenience Class Claim shall receive Cash equal to the amount of its Allowed Convenience Claim, payable from the Filene's Segregated Fund and, if such fund is exhausted, from the Syms Assets.

(iii) Syms Class 4 General Unsecured Claims – Impaired

Syms Class 4 consists of Syms General Unsecured Claims and is an impaired class. A Syms General Unsecured Claim is a pre-petition claim that is not entitled to priority under the Bankruptcy Code, is not secured by a lien on collateral, and does not otherwise qualify as a Convenience Claim. Such claims include claims for unpaid trade payables, lease rejection damages, and other unsecured claims, including claims on account of written Syms guarantees of Filene's leases and trade claims. A holder of an Allowed Syms General Unsecured Claim shall receive (1) one or more cash payments aggregating not more than 100% of the Allowed amount of its Allowed Syms General Unsecured Claim (without interest), or (2) such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing.

If on the [fourth] anniversary of the Effective Date each Holder of an Allowed Syms General Unsecured Claim has not received payment in full of 100% of the Allowed amount of its Claim, on that date three members of the board of directors of Reorganized Syms shall be replaced immediately by three persons designated by the Holders of Allowed Syms General Unsecured Claims, Allowed Filene's General Unsecured (Short-Term) Claims and Allowed Filene's General Unsecured (Long-Term) Claims that have not received payment in full of the amounts they are entitled to receive under Article IV of the Plan.

(iv) Filene's Class 4 Settled Filene's General Unsecured (Short-Term) Claims – Impaired

Filene's Class 4 consists of Settled Filene's General Unsecured Short-Term Claims and is an impaired class of claims. Settled Filene's General Unsecured (Short-Term) Claims included "short-term" general unsecured claims against Filene's that are not guaranteed by Syms, and include claims of vendors for unpaid goods and services provided to Filene's prior to the Petition Date and claims of employees for severance pay. A holder of an Allowed Settled Filene's General Unsecured Short-Term Claim shall receive (1) payments from (x) from the Filene's Segregated Fund to the extent funds therein are then available for pro rata distribution to Holders of Allowed Filene's General Unsecured (Short-Term) Claims and (y) one or more cash payments from Reorganized Syms aggregating not more than 100% of the Allowed amount of its Allowed Filene's General Unsecured (Short-Term) Claim (without interest), or (2) such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing.

If on the [fourth] anniversary of the Effective Date each Holder of an Allowed Filene's General Unsecured (Short-Term) Claim has not received payment in full of 100% of the Allowed amount of its Claim, on that date three members of the board of directors of Reorganized Syms shall be replaced immediately by three persons designated by the Holders of Allowed Syms General Unsecured Claims, Allowed Filene's General Unsecured (Short-Term) Claims and Allowed Filene's General Unsecured

(Long-Term) Claims that have not then received payment in full of the amounts they are entitled to receive under this Article IV of the Plan.

(v) Filene's Class 5 Settled Filene's General Unsecured
(Long-Term) Claims – Impaired

Filene's Class 5 consists of Settled Filene's General Unsecured (Long-Term) Claims and is an impaired class of claims. Settled Filene's General Unsecured (Long-Term) Claims include "long-term" general unsecured claims against Filene's that are not guaranteed by Syms, and include claims of landlords on account of Filene's rejection of unexpired leases. A holder of an Allowed Settled Filene's General Unsecured Long-Term Claim shall receive (1) one or more cash payments from Reorganized Syms aggregating not more than [75%] of the Allowed amount of its Allowed Filene's General Unsecured (Long-Term) Claim (without interest) from 75% of the Net Proceeds of Syms Owned Real Estate available following the payment of (or reserving for) all Allowed Senior Claims, Allowed Syms Class 3 General Unsecured Claims, and Allowed Filene's Class 4 General Unsecured (Short-Term) Claims, or (2) such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing.

If on the [fourth] anniversary of the Effective Date each Holder of an Allowed Filene's General Unsecured (Long-Term) Claim has not received payment in full of [75%] of the Allowed amount of its Claim, on that date three members of the board of directors of Reorganized Syms shall be replaced immediately by three persons designated by the Holders of Allowed Syms General Unsecured Claims, Allowed Filene's General Unsecured (Short-Term) Claims and Allowed Filene's General Unsecured (Long-Term) Claims that have not then received payment in full of the amounts they are entitled to receive under this Article IV of the Plan.

(vi) Syms Class 5 Intercompany Claims – Impaired

Syms Class 5 consists of Intercompany Claims against Syms and is an impaired class of claims. Syms Intercompany Claims include but are limited to claims by a Debtor against Syms which claims are reflected on the books and records of such Debtor, are derivative claims asserted by or on behalf of such Debtor, or are asserted by a Debtor on account of a guarantee. Pursuant to the Plan Settlement, the Holders of Syms Intercompany Claims shall not receive or retain any property under the Plan on account of such Claims. On the Effective Date, all Syms Intercompany Claims shall be deemed offset, cancelled and extinguished.

(vii) Filene's Class 6 Intercompany Claims – Impaired

Filene's Class 6 consists of Intercompany Claims against Filene's and is an impaired class of claims. Filene's Intercompany Claims include but are limited to claims by a Debtor against Filene's which claims are reflected on the books and records of such Debtor, are derivative claims asserted by or on behalf of such Debtor, or are asserted by a Debtor on account of a guarantee. Pursuant to the Plan Settlement, the Holders of Filene's Intercompany Claims shall not receive or retain any property under the Plan on account of such Claims. On the Effective Date, all Filene's Intercompany Claims shall be deemed cancelled and extinguished.

(d) Interests

(i) Syms Class 6 Interests – Impaired

Syms Class 6 consists of all equity interests in Syms. All such interests in Syms are allowed and are impaired. Each holder of an interest in Syms shall retain its interest, subject to the Share Purchase Transaction.

(ii) Filene's Class 7 Interests – Impaired

Filene's Class 7 consists of all equity interests in Filene's. Syms is the only holder of Filene's Class 4 interests. On the Effective Date, all such Interests shall be cancelled, and the Holders thereof shall not be entitled to, and shall not receive or retain, any property or interest in property on account of such Interests.

3. Pension Obligations

Following confirmation of the Plan, the Debtors intend to maintain the Syms Pension Plan (the "Pension Plan") and make all contributions required under applicable minimum funding rules. In the event that the Debtors seek to terminate the Pension Plan, the Debtors intend that any such termination shall be a standard termination pursuant to Section 4041(c) of the Employer Retirement Income Security Act of 1974, as amended.

4. Special Provisions Regarding Insured Claims

Distributions under the Plan to each Holder of an Insured Claim shall be in accordance with the treatment provided under the Plan for Syms General Unsecured Claims and Filene's General Unsecured (Short-Term) Claims; provided, however, that the amount of any such Claim shall be determined as follows:

(a) to the extent a Holder has an Allowed Insured Claim, all or a portion of which is within the applicable deductible or self-insured retention under the relevant insurance policy of the Debtors, then such Holder shall have an Allowed Syms General Unsecured Claim (if Syms is the policyholder) or Allowed Filene's General Unsecured (Short-Term) Claim (if Filene's is the policyholder) for the amount which is within the applicable deductible or self-insured retention under the relevant insurance policy of the Debtors;

(b) to the extent a Holder has an Allowed Insured Claim, a portion of which exceeds the applicable deductible or self-insured retention under the relevant insurance policy of the Debtors, then the amount of such Allowed Insured Claim that (i) exceeds the applicable deductible or self-insured retention but (ii) is less than or equal to the limits of coverage under the relevant insurance policy of the Debtors (the "Insurer Covered Amount") shall not be Allowed as a Syms General Unsecured Claim or a Filene's General Unsecured (Short-Term) Claim; and

(c) to the extent a Holder has an Allowed Insured Claim, a portion of which exceeds the limits of coverage under the relevant insurance policy of the Debtors, then such Holder shall have an Allowed Syms General Unsecured Claim or Allowed Filene's General Unsecured (Short-Term) Claim in the amount by which such Allowed Insured Claim exceeds the limits of coverage under the Debtors' relevant insurance policy;

provided, further, that:

(aa) the Insurer Covered Amount shall not be recoverable from the Debtors, and shall only be recoverable from the applicable insurer; and

(bb) an Allowed Insured Claim shall not be valid or enforceable against the Debtors' insurers unless and until, among other things, the applicable deductible or self-insured retention has been satisfied in accordance with the Plan by a Distribution under the Plan by the Debtors (or

after the Effective Date, the Reorganized Debtors) on account of a Claim equal to the full amount of the applicable deductible or self-insured retention.

Nothing in this section shall constitute a waiver of any causes of action the Debtors or Reorganized Debtors may hold against any Person, including the Debtors' or Reorganized Debtors' insurance carriers, or a waiver of any rights, claims or defenses the insurers may have. Nothing in this section is intended to, shall, or shall be deemed to preclude any holder of an Allowed Insured Claim from seeking and/or obtaining a distribution or other recovery from any insurer of the Debtors in addition to (but not in duplication of) any distribution such holder may receive under the Plan or to preclude any insurer from contesting or asserting defenses to the claims of such holders. The Debtors and Reorganized Debtors do not waive, and expressly reserve their rights to assert that any insurance coverage is property of the Estates to which they are entitled and the insurers expressly reserve their rights to contest or assert defenses to any such assertion by the Debtors or Reorganized Debtors. Nothing in the Disclosure Statement, Plan or Confirmation Order shall be construed as, or is, a determination as to coverage in connection with any Insured Claim under any applicable insurance policy.

5. Special Provisions Regarding Workers' Compensation Claims and Obligations

As of the Effective Date, the Debtors and the Reorganized Debtors shall continue to honor in the ordinary course of business their obligations under the terms and conditions of (1) all applicable workers' compensation laws in states in which the Debtors and the Reorganized Debtors operate and (2) the Debtors' and the Reorganized Debtors' written contracts, agreements, policies, programs and plans for workers' compensation and workers' compensation insurance; provided, however, that nothing in this Plan shall limit, diminish or otherwise alter the Debtors' or Reorganized Debtors' defenses, causes of action or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs and plans; provided, further, that nothing herein shall be deemed to impose any obligations on the Debtors or Reorganized Debtors in addition to those arising under applicable state law.

All Proofs of Claim on account of workers' compensation shall be deemed withdrawn automatically and without any further notice to or action, order or approval of the Bankruptcy Court.

C. Acceptance or Rejection of the Plan

1. Acceptance By Class Entitled to Vote.

Syms Classes 4 and 6 and Filene's Classes 4 and 5, which are the only impaired classes of claims or interests of the Debtors entitled to receive or retain property or any interest in property under the Plan, are entitled to vote to accept or reject the Plan. Each of Syms Class 4 and Filene's Classes 4 and 5 shall have accepted the Plan if (i) the holders of at least two-thirds in amount of the allowed claims actually voting in the class have voted to accept the Plan and (ii) the holders of more than one-half in number of the allowed claims actually voting in the class have voted to accept the Plan. Syms Class 6 shall have accepted the Plan if at least two-thirds in the amount of interests actually voting in the class have voted to accept the Plan.

2. Presumed Acceptance of the Plan

Syms Classes 1, 2, and 3 and Filene's Classes 1, 2 and 3 are unimpaired. Therefore, such Classes are deemed to have accepted the Plan by operation of law and are not entitled to vote to accept or reject the Plan. Pursuant to the terms of the settlement embodied in the Plan, the holders of claims in Syms Class 5 (consisting entirely of intercompany claims between the Debtors) and Filene's Class 6 (consisting entirely of intercompany claims between the Debtors) and the holder of interests in Filene's Class 7

(consisting entirely of Syms' ownership of its equity interest in Filene's) shall not retain or receive any property under the Plan. However, because each of these claims and interests are held exclusively by the Debtors, as plan co-proponents, each such class is deemed to have accepted the Plan.

3. Cramdown

In general, the Bankruptcy Code allows a debtor to obtain confirmation of its plan even if an impaired class has rejected the plan, by use of the so-called "cramdown" provision in section 1129(b) of the Bankruptcy Code. Under that section, a plan may be confirmed by a bankruptcy court if it does not "discriminate unfairly" and is "fair and equitable" with respect to each class that has voted to reject the plan.

In this case, the Debtors request that the Plan, as it may be modified from time to time prior to the commencement of the Confirmation Hearing, be confirmed under section 1129(b)'s cramdown provision. In this regard, the Debtors reserve the right to modify the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification. For a more detailed description of the requirements for confirmation of a non-consensual plan, see Article XI.C of this Disclosure Statement entitled, "Confirmation Without Acceptance of All Impaired Classes: The 'Cramdown' Alternative."

D. Corporate Action

1. Continued Corporate Existence of Reorganized Syms

Subject to the transactions contemplated by the Plan, Reorganized Syms shall continue to exist after the Effective Date as a separate entity, with all the powers of a corporation under applicable law. On and after the Effective Date, Reorganized Syms may operate its businesses and may use, acquire and dispose of property and compromise or settle any Claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order. Reorganized Syms shall be reorganized and reincorporated as a Delaware corporation as of the Effective Date pursuant to its certificate of incorporation and bylaws or other organizational documents as set forth in the Plan Supplement, without prejudice to any right to terminate such existence (whether by merger, dissolution or otherwise) under applicable law after the Effective Date. Among other things, Reorganized Syms' certificate of incorporation shall comply with section 1123(a)(6) of the Bankruptcy Code.

2. Governance and Management of Reorganized Syms

Reorganized Syms's Board of Directors shall be comprised of five (5) members. One (1) member shall be an outside director with real estate expertise reasonably acceptable to the Creditors' Committee and Equity Committee.

Subject to any requirement of Bankruptcy Court approval pursuant to section 1129(a)(5) of the Bankruptcy Code, the initial board of directors and the officers of Reorganized Syms will be identified in the Plan Supplement. The compensation to be disbursed to the directors, executives and officers serving Reorganized Syms as of the Effective Date also will be disclosed in the Plan Supplement. The organizational documents of Reorganized Syms shall provide for the replacement of three (3) members of the Board of Directors of Reorganized Syms by persons designated by the Holders of Allowed Syms General Unsecured Claims, Allowed Filene's General Unsecured (Short-Term) Claims and Allowed Filene's General Unsecured (Long-Term) Claims (as the case may be) in accordance with Article IV of the Plan in the event such Holders do not receive payment in full of the amounts they are entitled to receive on the dates set under Article IV of the Plan.

3. Merger of Filene's, Advertising and Clothing into Reorganized Syms

On the Effective Date, or as soon thereafter as is practicable, Filene's, Advertising and Clothing shall be merged with and into Reorganized Syms in accordance with applicable governing law, provided however, that all Filene's Cash and other assets of Filene's shall be transferred to the Filene's Segregated Fund from which Reorganized Syms will make distributions to Holders of Filene's Claims in accordance with the terms of this Plan.

The officers, directors and managers of Filene's Advertising and Clothing shall be deemed to have resigned upon the Effective Date, or as soon thereafter as the Merger may be effected in accordance with applicable law; provided, however, that such resignations shall not be effective until such officers, directors and managers have discharged all remaining responsibilities with respect to such entities in accordance with applicable law. If necessary or appropriate, Reorganized Syms shall cause certificates of merger to be filed for Filene's, Advertising and Clothing and shall take all other actions necessary or appropriate to effect the Merger under applicable law.

4. No Further Corporate Action

Except as otherwise provided in the Plan, each of the matters provided for under the Plan involving the corporate or limited liability company structure of the Debtors or corporate or limited liability company action to be taken by or required of the Debtors shall, as of the Effective Date, be deemed to have occurred and be effective as provided herein, and shall be authorized and approved in all respects without any requirement of further action by any Person, including but not limited to, Holders of Claims against or Interests in the Debtors, or directors or officers of the Debtors.

E. Revesting of Assets

On the Effective Date, and except as otherwise set forth herein, all property of the Estates, including the Syms Owned Real Estate and all Causes of Action and Avoidance Actions, shall vest in Reorganized Syms free and clear of all Claims, Liens, charges, encumbrances, rights, and Interests of creditors and equity security holders; provided, however, that on the Effective Date, all Filene's Cash and proceeds of other Filene's assets shall be deemed transferred to Filene's Segregated Fund from which Reorganized Syms will make distributions to Holders of Allowed Claims against Filene's in accordance with the terms of the Plan. As of the Effective Date, Reorganized Syms shall operate its business and use, acquire and dispose of its property, including by operating, leasing and disposing of the Syms Owned Real Estate, in a commercially reasonable manner designed to maximize value, without supervision of the Bankruptcy Court, and free of any restrictions imposed by the Bankruptcy Code or the Bankruptcy Rules, other than those restrictions expressly imposed by this Plan or the Confirmation Order.

F. Cancellation of Existing Securities and Agreements

Except as otherwise provided in the Plan, and in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to Article IV of the Plan, all promissory notes, share certificates, other instruments evidencing any Claims or Interests, other than a Claim or Interest that is Unimpaired under the Plan and Syms Class 5 Interests, and all options, warrants, calls, rights, puts, awards, commitments, or any other agreements of any character to acquire such Syms Class 5 Interests, shall be deemed canceled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order, or rule, and the obligations of the Debtors under the notes, share certificates, and other agreements and instruments governing such Claims and Interests shall be discharged. The holders of or parties to such canceled notes, share certificates and other agreements and instruments shall have no

rights arising from or relating to such notes, share certificates and other agreements and instruments or the cancellation thereof, except the rights provided pursuant to the Plan.

G. Issuance of New Securities and Capital Raising

Following the Effective Date, Reorganized Syms may issue new debt or equity capital in accordance with applicable law, as and to the extent authorized by the Board of Directors of Reorganized Syms.

H. Share Purchase Transaction

The Plan contemplates consummation of a Share Purchase Transaction in connection with consummation of the Plan whereby all or substantially all of the Majority Shareholder's Interests in Syms are acquired.

I. Professional Fees; Funding of Reserves

(a) Professional Fee Reserve

On or before the Effective Date, the Debtors shall fund the Professional Fee Reserve in the amount of the aggregate Professional Fee Estimate. The Debtors shall (i) segregate and shall not commingle the Cash held therein and (ii) pay each Allowed Professional Fee Claim from the Professional Fee Reserve upon entry of a Final Order allowing such Claim. In the event that Cash remains in the Professional Fee Reserve after payment of all Allowed Professional Fee Claims, such residual Cash shall be utilized to make distributions to Holders of Claims and Interests as provided for in the Plan.

(b) Administrative Claims Reserve

On or before the Effective Date, the Debtors shall fund the Administrative Claims Reserve in an amount equal to an estimate of all Administrative Claims. The Debtors shall (i) segregate and shall not commingle the Cash held therein and (ii) pay each Allowed Administrative Claim, upon entry of a Final Order allowing such Claim or on such other date provided herein. In the event that Cash remains in the Administrative Claims Reserve after payment of all Allowed Administrative Claims, such residual Cash shall be used to make distributions to Holders of Claims and Interests as provided for in the Plan.

J. Exemption From Certain Transfer Taxes

Pursuant to Bankruptcy Code section 1146(a), any transfers from any of the Debtors to any Person, including any transfers of Syms Owned Real Estate after Confirmation in the United States, shall not be subject to any stamp tax or similar tax, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

K. Causes of Action and Avoidance Actions

1. Preservation of Causes of Action and Avoidance Actions.

In accordance with Bankruptcy Code section 1123(b)(3) and except as otherwise provided in the Plan or the Confirmation Order, the Debtors shall retain all of the Causes of Action and Avoidance Actions and all such Causes of Action and Avoidance Actions shall vest in Reorganized Syms on the Effective Date, a nonexclusive list of which will be set forth in the Plan Supplement. Reorganized Syms may investigate, enforce, sue on, settle or compromise (or decline to do any of the foregoing) any or all of

the Causes of Action and Avoidance Actions. The failure of the Debtors to list a claim, right, cause of action, suit or proceeding in the Plan Supplement shall not constitute a waiver or release by the Debtors or their Estates of such claim, right of action, suit or proceeding. Such Causes of Action and Avoidance Actions shall survive entry of the Confirmation Order for the benefit of the Debtors and their Estates.

2. Settlement of Causes of Action and Avoidance Actions.

At any time after the Confirmation Date but before the Effective Date, notwithstanding anything in the Plan to the contrary, Reorganized Syms may settle some or all of the Causes of Action and Avoidance Actions pursuant to Bankruptcy Rule 9019 with the approval of the Court and upon notice to the Creditors' Committee and the Equity Committee; after the Effective Date, Reorganized Syms, will determine whether to bring, settle, release, compromise, enforce or abandon such rights (or decline to do any of the foregoing).

L. Provisions Governing Distributions

1. Sources For Plan Distributions

Distributions in accordance with the terms of the Plan shall be made from, among other things, (i) Cash on hand as of the Effective Date, (ii) proceeds of any Exit Financing that may be required to confirm and consummate the Plan, (iii) Net Proceeds from the disposition of Syms Owned Real Estate, and/or (iv) proceeds from any post-Effective Date financings or capital raises as may be authorized by the Board of Directors of Reorganized Syms. Notwithstanding the foregoing or any other term of the Plan, the first \$5.0 million of Net Proceeds realized from the sale of Syms Owned Real Estate shall be retained by Reorganized Syms and used to fund working capital for Reorganized Syms. For further information about sources for Plan distributions, please consult Exhibit E and Section VI of this Disclosure Statement entitled "Overview of Claims, Assets and the Business Plan" and Section VIII of this Disclosure Statement entitled "Certain Risk Factors to Considered."

(a) Information Regarding Syms Owned Real Estate

As discussed above, the Syms Owned Real Estate consists of 17 parcels of commercial real estate. Three of these properties are subject to long term ground leases. Syms also owns a residential condominium in Secaucus, New Jersey. The Syms Owned Real Estate consists of properties located in New York, New Jersey, Connecticut, Florida, Georgia, Illinois, Michigan and Texas. Some of these properties are stand-alone buildings, whereas some of these properties are "strip malls," a real estate parcel comprised of multiple leased premises but which is considered a single property. As of the Petition Date, Syms operated its retail locations out of some of its owned properties until December 2011. Those properties are, with one exception, now vacant. Also as of the Petition Date, Syms leased commercial space to 25 different tenants, including multiple leased premises in its "strip mall" properties. As of February 10, 2012, Syms entered into a 5 year lease with Lear Operations, Inc. on its Southfield, Michigan property. Lear has an option to purchase that property within the first 6 months of the lease for a purchase price of \$ 2.5 million.

Cushman is in the process of leasing up and marketing the remainder of the Syms Owned Real Estate. Set forth on Exhibit C to this Disclosure Statement is a schedule of all the owned properties, together with relevant information about each property. Projections reflecting the disposition of these properties over a 3 year period are included in the Financial Projections attached as Exhibit D.

2. Distributions for Claims Allowed as of the Effective Date

All Distributions to be made on account of Claims that are Allowed Claims as of the Effective Date shall be made on the Initial Distribution Date or as soon thereafter as Cash becomes available therefore. Distributions on account of Claims that first become Allowed Claims after the Effective Date shall be made pursuant to the terms and conditions of this Plan, and on such day as selected by Reorganized Syms in its sole discretion. Notwithstanding any other provision of the Plan to the contrary, no Distribution shall be made on account of any Allowed Claim or portion thereof that (i) has been satisfied after the Petition Date pursuant to an order of the Bankruptcy Court; or (ii) is listed in the Debtors' schedules (as may be amended or supplemented from time to time) as contingent, unliquidated, disputed or in a zero amount, and for which a Proof of Claim has not been timely filed.

3. Reorganized Syms as Disbursing Agent

Subject to the terms and provisions of this Plan, Reorganized Syms shall make all Distributions required under this Plan with respect to the Debtors' Estates. Reorganized Syms shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court or required by the Bankruptcy Code or the Bankruptcy Rules. Reorganized Syms shall be authorized and directed to rely upon the Debtors' books and records and the Debtors' representatives and professionals in determining Claims not entitled to a Distribution under the Plan in accordance with the terms of the Plan.

4. Delivery of Distributions and Undeliverable or Unclaimed Distributions

(a) Delivery of Distributions in General

Distributions to Holders of Allowed Claims shall be made by Reorganized Syms (a) at the addresses set forth on the Proofs of Claim filed by such Holders (or at the last known addresses of such Holders if no Proof of Claim is filed or if the Debtors have been notified of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Debtors after the date of any related Proof of Claim, (c) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Debtors have not received a written notice of a change of address, (d) at the addresses set forth in the other records of the Debtors at the time of the Distribution or (e) in the case of the Holder of a Claim that is governed by an agreement and is administered by an agent or servicer, at the addresses contained in the official records of such agent or servicer. In making Distributions under the Plan, Reorganized Syms may rely upon the accuracy of the claims register maintained by the Claims Agent in the Chapter 11 Cases, as modified by any Final Order of the Bankruptcy Court disallowing Claims in whole or in part.

(b) Undeliverable and Unclaimed Distributions

If the Distribution to any Holder of an Allowed Claim or Allowed Interest is returned to Reorganized Syms as undeliverable or is otherwise unclaimed, no further Distributions shall be made to such Holder unless and until Reorganized Syms is notified in writing of such Holder's then-current address, at which time all missed Distributions shall be made to such Holder without interest. Amounts in respect of undeliverable Distributions shall be returned to Reorganized Syms until such Distributions are claimed. Reorganized Syms shall segregate and, deposit in a segregated account (the "Unclaimed Distribution Reserve") undeliverable and unclaimed Distributions for the benefit of all such similarly situated Persons or Governmental Units until such time as a Distribution becomes deliverable or is claimed.

Any Holder of an Allowed Claim or Allowed Interest that does not assert a Claim or Interest pursuant to this Plan for an undeliverable or unclaimed Distribution within six (6) months after the last Distribution Date shall be deemed to have forfeited its Claim or Interest for such undeliverable or unclaimed Distribution and shall be forever barred and enjoined from asserting any such Claim or Interest for an undeliverable or unclaimed Distribution against the Debtors and their Estates, and their respective agents, attorneys, representatives, employees or independent contractors, and/or any of its and their property. In such cases, any Cash otherwise reserved for undeliverable or unclaimed Distributions shall be distributed in accordance with the terms of this Plan. Nothing contained in this Plan shall require Reorganized Syms to attempt to locate any Holder of an Allowed Claim or Allowed Interest.

5. Prepayment

Except as otherwise provided in this Plan or the Confirmation Order, Reorganized Syms shall have the right to prepay, without penalty, all or any portion of an Allowed Claim.

6. Means of Cash Payment

Cash payments made pursuant to this Plan shall be in U.S. dollars and shall be made at the option and in the sole discretion of Reorganized Syms by (i) checks drawn on or (ii) wire transfers from a domestic bank selected by Reorganized Syms. In the case of foreign creditors, Cash payments may be made, at the option of Reorganized Syms, in such funds and by such means as are necessary or customary in a particular jurisdiction.

7. Interest on Disputed Claims

Unless otherwise specifically provided for in the Plan or the Confirmation Order, interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date such Disputed Claim becomes an Allowed Claim.

8. Withholding and Reporting Requirements

In accordance with Bankruptcy Code section 346 and in connection with the Plan and all Distributions thereunder, Reorganized Syms shall, to the extent applicable, comply with all withholding and reporting requirements imposed by any U.S. federal, state, local, or non-U.S. taxing authority. Reorganized Syms shall be authorized to take any and all actions necessary and appropriate to comply with such requirements. All Distributions hereunder may be subject to the withholding and reporting requirements. As a condition of making any Distribution under the Plan, Reorganized Syms may require the Holder of an Allowed Claim or Allowed Interest to provide such Holder's taxpayer identification number, and such other information, certification, or forms as necessary to comply with applicable tax reporting and withholding laws. Notwithstanding any other provision of this Plan, each Entity receiving a Distribution pursuant to this Plan shall have sole and exclusive responsibility for the satisfaction and payment of tax obligations on account of any such Distribution.

9. Setoffs

(a) By Reorganized Syms

Except as otherwise set forth in the Plan, Reorganized Syms may, pursuant to Bankruptcy Code section 553, 558 or any other applicable law, but shall not be required to, set off against any Claim, and the payments or other Distributions to be made pursuant to the Plan in respect of such Claim, Claims of any nature whatsoever that the Debtors may have against the Holder of such Claim; provided, however,

that neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors of any such Claim that the Debtors may have against such Holder.

(b) By Non-Debtors

Unless otherwise authorized by a Final Order, any Holder of a Claim must assert any setoff rights against a Claim by a Debtor against such Entity by timely filing (i) a Proof of Claim asserting such right of setoff, (ii) an appropriate motion on or before the Confirmation Date seeking authority to setoff, or (iii) an objection to Confirmation on or before the Confirmation Objection Deadline asserting, preserving or otherwise referencing the existence of such right of setoff, or will be deemed to have waived and be forever barred from asserting any right to setoff against a Claim by a Debtor; provided, however, that the right of any Debtor to object to the validity of any asserted right of setoff shall be preserved.

10. Procedure for Treating and Resolving Disputed, Contingent and/or Unliquidated Claims

(a) Objection Deadline; Prosecution of Objections

Except as set forth in the Plan with respect to Professional Fee Claims and Administrative Claims, all objections to Claims must be filed and served on the Holders of such Claims by the Claims Objection Deadline, as the same may be extended by the Bankruptcy Court. If an objection has not been filed to a Claim or the Schedules have not been amended with respect to a Claim that (i) was Scheduled by the Debtors but (ii) was not Scheduled as contingent, unliquidated, and/or disputed, by the Claims Objection Deadline, as the same may be extended by order of the Bankruptcy Court, the Claim to which the Proof of Claim or Scheduled Claim relates will be treated as an Allowed Claim if such Claim has not been allowed earlier. Notice of any motion for an order extending the Claims Objection Deadline shall be required to be given only to those Entities that have requested notice in the Chapter 11 Cases, or to such Entities as the Bankruptcy Court shall order. From the Confirmation Date through the Claims Objection Deadline, Reorganized Syms shall have the exclusive authority to file objections, settle, compromise, withdraw, or litigate to judgment objections to Claims.

(b) No Distributions Pending Allowance

Notwithstanding any other provision of the Plan, no payments or Distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim. To the extent that a Claim is not a Disputed Claim but is held by a Holder that is or may be liable to the Debtors, no payments or Distributions shall be made with respect to all or any portion of such Claim unless and until such Claim and liability have been settled or withdrawn or have been determined by Final Order of the Bankruptcy Court or such other court having jurisdiction over the matter. On each Distribution Date, Reorganized Syms will make Distributions (a) on account of any Disputed Claim that has become an Allowed Claim since the preceding Distribution Date and (b) on account of previously Allowed Claims, from the applicable reserves, of property that would have been distributed to such Claimholders on the dates Distributions previously were made to Holders of Allowed Claims had the Disputed Claims that have become Allowed Claims been Allowed on such dates.

(c) De Minimis Distributions

Reorganized Syms shall not have any obligation to make a Distribution on account of an Allowed Claim from any reserve or otherwise if (a) the aggregate amount of all Distributions authorized to be made from such reserve or otherwise on the Distribution Date in question (other than the final Distribution Date) is or has a value less than \$250,000, or (b) if the amount to be distributed to the

specific Holder of the Allowed Claim on the particular Distribution Date does not constitute a final Distribution to such Holder and such Distribution has a value less than \$10.00. Reorganized Syms shall have no obligation to make any Distribution, whether final or not, unless and until the total amount of such Distribution to a specific Holder of an Allowed Claim is equal to or greater than \$10.00.

(d) Claims Resolution and Compromise

As of the Effective Date, Reorganized Syms is authorized to compromise or settle all Claims, Disputed Claims, and Liens pursuant to Bankruptcy Rule 9019(b), and to execute necessary documents, including Lien releases (subject to the written consent of the party having such Lien) and stipulations of settlement or release, without further order of the Bankruptcy Court, and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order.

11. Distribution Record Date

Reorganized Syms shall have no obligation to recognize the transfer of or sale of any participation in any Allowed Claim or Allowed Interest that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute only to those Holders of Allowed Claims and Interests who are Holders, or participants therein, as of the close of business on the Distribution Record Date. Instead, Reorganized Syms shall be entitled to recognize and deal for all purposes under this Plan with only those record holders stated on the official claims register or other applicable records as of the close of business on the Distribution Record Date.

12. Fractional Dollars

Any other provision of this Plan notwithstanding, Reorganized Syms shall not be required to make Distributions or payments of fractions of dollars. Whenever any payment of a fraction of a dollar under this Plan would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down.

13. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a Distribution under this Plan is composed of indebtedness and accrued but unpaid interest thereon, such Distribution shall, for all income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

M. Treatment of Executory Contracts

1. Rejected Contracts and Leases

Except as otherwise provided in the Confirmation Order, the Plan, or any other Plan document, the Confirmation Order shall constitute an order under Bankruptcy Code section 365 rejecting all prepetition executory contracts, including purchase orders, and unexpired leases to which any Debtor is a party, to the extent such contracts or leases are executory contracts or unexpired leases, on and subject to the occurrence of the Effective Date, unless such contract or lease (a) previously shall have been assumed, assumed and assigned, or rejected by the Debtors, (b) previously shall have expired or terminated pursuant to its own terms before the Effective Date, (c) is the subject of a pending motion to assume or reject on the Confirmation Date, or (d) is identified in Exhibit B to the Plan as an insurance policy or insurance agreement of the Debtors; provided, however, that the Debtors may amend such Exhibit B at any time prior to the Confirmation Date; provided further, however, that listing an insurance agreement

on such Exhibit shall not constitute an admission by a Debtor that such agreement is an executory contract or that any Debtor has any liability thereunder.

2. Insurance Policies and Agreements

Insurance policies issued to, or insurance agreements entered into by, the Debtors prior to the Petition Date (including, without limitation, any policies covering directors' or officers' conduct) shall continue in effect after the Effective Date. To the extent that such insurance policies or agreements (including, without limitation, any policies covering directors' or officers' conduct) are considered to be executory contracts, then, notwithstanding anything to the contrary in the Plan, the Plan shall constitute a motion to assume or ratify such insurance policies and agreements, and, subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute approval of such assumption pursuant to section 365(a) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such assumption is in the best interests of each Debtor and its Estate. Unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed to by the parties thereto prior to the Effective Date, no payments shall be required to cure any defaults of the Debtors existing as of the Confirmation Date with respect to each such insurance policy or agreement. To the extent that the Bankruptcy Court determines otherwise as to any such insurance policy or agreement, the Debtors reserve the right to seek the rejection of such insurance policy or agreement or other available relief.

3. Indemnification Obligations

Notwithstanding Article VIII.A. of the Plan, or any contract, instrument, release, or other agreement or document entered into in connection with this Plan, any and all Indemnification Obligations that the Debtors have pursuant to a contract, instrument, agreement, certificate of incorporation, by-law, comparable organizational document or any other document, or applicable law shall be deemed an executory contract that is assumed as of the Effective Date, and all Claims arising out of Indemnification Obligations shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed by Reorganized Syms pursuant to section 365 of the Bankruptcy Code.

Indemnification Obligations owed to any Professionals retained pursuant to sections 327 or 328 of the Bankruptcy Code and order of the Court, to the extent that such Indemnification Obligations relate to the period after the Petition Date, shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed pursuant to section 365 of the Bankruptcy Code under the Plan.

4. Bar To Rejection Damages

If the rejection of an executory contract or unexpired lease pursuant to the Plan gives rise to a Claim by the other party or parties to such contract or lease, such Claim shall be forever barred and shall not be enforceable against the applicable Debtor or its Estate, or their respective successors or properties unless a Proof of Claim is filed with the Claims Agent and served on the Debtors and counsel for the Debtors within thirty (30) days after service of a notice of occurrence of the Effective Date or such other date as is prescribed by the Bankruptcy Court.

5. Assumed and Assigned Contracts and Leases

Except as otherwise provided in the Confirmation Order, the Plan, or any other Plan document entered into after the Petition Date or in connection with the Plan, the Confirmation Order shall constitute an order under Bankruptcy Code section 365 assuming, as of the Effective Date, those agreements listed on Exhibit B to this Plan; provided, however, that the Debtors may amend such Exhibit at any time prior to the Confirmation Date; provided further, however, that listing an agreement on such Exhibit shall not

constitute an admission by a Debtor that such agreement is an executory contract or that any Debtor has any liability thereunder.

N. Confirmation and Consummation of the Plan

1. Conditions to Confirmation

Before the Plan can be confirmed, the following conditions precedent must be satisfied:

(a) The entry of a Final Order finding that this Disclosure Statement contains adequate information pursuant to Bankruptcy Code section 1125;

(b) The Confirmation Order shall be, in form and substance, reasonably acceptable to the Debtors; and

(c) All provisions, terms and conditions of the Plan are approved in the Confirmation Order.

For a more detailed description of the requirements for confirmation of the Plan, see Section X of this Disclosure Statement entitled, "Feasibility of the Plan and Best Interests of Creditors."

2. Conditions to the Effective Date

Before the Plan can become effective, the following conditions precedent, must be satisfied unless waived by the Debtors in accordance with the Plan:

(a) The Confirmation Order shall have been entered and become a final order and shall provide that the Debtors are authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the contracts, releases, and other agreements or documents created in connection with the Plan or effectuate, advance, or further the purposes thereof;

(b) All Plan exhibits shall be in form and substance, reasonably acceptable to the Debtors and shall have been executed and delivered by all parties signatory thereto;

(c) The Debtors shall be authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, and the agreements or documents created in connection with the Plan;

(d) All other actions, documents, and agreements necessary to implement the Plan shall have been effected or executed;

(e) The reserves for professional fees and administrative claims shall have been funded; and

(f) The Share Purchase Transaction shall have been consummated

3. Waiver of Conditions

Each of the conditions set forth in Articles IX.A and IX.B of the Plan may be waived in whole or in part by the Plan Proponents. The failure to satisfy or waive any condition to the Effective Date may be asserted by the Debtors regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of a party to exercise any of the foregoing rights shall not be deemed

a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

4. Consequences of Non-Occurrence of Effective Date

In the event that the Effective Date does not timely occur, the Plan Proponents reserve all rights to seek an order from the Bankruptcy Court directing that the Confirmation Order be vacated, that the Plan be null and void in all respects, and/or that any settlement of Claims provided for in the Plan be null and void. In the event that the Bankruptcy Court shall enter an order vacating the Confirmation Order, the time within which the Debtors may assume and assign, or reject all executory contracts and unexpired leases not previously assumed, assumed and assigned, or rejected, shall be extended for a period of thirty (30) days after the date the Confirmation Order is vacated, without prejudice to further extensions.

O. Effect of Plan Confirmation

1. Binding Effect

The Plan shall be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims and Interests, and their respective successors and assigns

2. Powers and Duties

Upon the Effective Date, the Debtors shall, in accordance with the terms of the Plan, take all actions necessary to conduct their affairs consistent with the Plan and applicable non-bankruptcy law. Without limitation, they shall file federal, state, and, to the extent applicable, local, tax returns and, to the extent contemplated by the Plan, merge into Reorganized Syms. They shall be authorized, empowered and directed to take all actions necessary to comply with the Plan and exercise and fulfill their duties and obligations arising thereunder as set forth more fully in the Plan.

3. Discharge

(a) Discharge of the Debtors

In general, a discharge under section 1141(d) of the Bankruptcy Code operates to discharge a debtor from any and all debts and obligations that arose before confirmation of the plan, which means that holders of claims are limited to the recovery provided to them under such plan.

Upon the Effective Date, the Debtors shall be discharged and released under section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in section 502 of the Bankruptcy Code, whether or not (i) a proof of claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code, (ii) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code, (iii) a Claim based upon such debt is or has been disallowed by order of the Bankruptcy Court, or (iv) the Holder of a Claim based upon such debt accepted this Plan.

As of the Effective Date, except as provided in this Plan or the Confirmation Order, all Persons shall be precluded from asserting against the Debtors or their properties, including the Syms Owned Real Estate, any other or further Claims, debts, rights, Causes of Action, claims for relief, or liabilities relating to the Debtors based upon any act, omission, transaction, occurrence, or other activity of any nature that occurred prior to the Effective Date. In accordance with the foregoing, except as provided in this Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination of discharge of all such Claims and other debts and liabilities, pursuant to sections 524 and 1141 of the Bankruptcy Code, and

such discharge shall void any judgment obtained against the Debtors at any time, to the extent that such judgment relates to a discharged Claim.

4. Debtor Releases

Pursuant to section 1123(b) of the Bankruptcy Code for good and valuable consideration, on and after the Effective Date, (i) all current and former officers, directors, employees, agents and professionals of the Debtors in their capacity as such, (ii) the Equity Committee and the Creditors' Committee and their respective members and professionals in their capacity as such, and (iii) the Majority Shareholder (the "Released Parties") are deemed released and discharged by the Debtors, Reorganized Syms and the Estates from any and all claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that the Debtors, Reorganized Syms, or the Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or Reorganized Syms, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any of the foregoing releasees, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Disclosure Statement, or related agreements, instruments or other documents, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date.

5. Third Party Releases

As of the Effective Date, each Holder of a Claim or Interest (the "Third Party Releasers") shall be deemed to have conclusively, unconditionally, irrevocably and forever released and discharged the Released Parties from any and all claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or Reorganized Syms, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any of the Released Parties, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Disclosure Statement, or related agreements, instruments or other documents, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence. Notwithstanding anything to the contrary in the foregoing, the third party release set forth above does not bind any Third Party Releaser unless such Third Party Releaser manifests its assent to such third party release by checking the appropriate box on the ballot accompanying the solicitation of votes on the Plan.

6. Injunction

Except as otherwise provided in the Plan, the Confirmation Order shall provide, among other things, that from and after the Effective Date, all Persons who have held, hold or may hold Claims against or Interests in the Debtors are permanently enjoined from taking any of the following actions against the Estates, the Debtors, Reorganized Syms or any of their property on account of any such Claims or Interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree or order;

(C) creating, perfecting, or enforcing any lien or encumbrance; (D) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtors; and (E) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; *provided, however*, that nothing contained herein shall preclude such Persons from exercising their rights pursuant to and consistent with the terms of this Plan or the Confirmation Order; *provided further, however*, that nothing in this Article shall impair (i) the rights of any Holder of a Disputed Claim to establish its Claim in response to an objection filed by Reorganized Syms, or (ii) the rights of any defendant in a Cause of Action or Avoidance Action filed by Reorganized Syms to assert defenses in such action.

7. Exculpation and Limitation of Liability

Except as otherwise specifically provided in the Plan, (i) the Debtors, (ii) all of the present or former directors, officers, or employees of any of the Debtors, acting in such capacity and serving as of the Petition Date, (iii) any Professionals of the Debtors, and (iv) the Creditors' Committee and the Equity Committee and their members and Professionals acting in their capacities as such, and any of such parties' successors and assigns, shall not have or incur any liability, claim, action, proceeding, Cause of Action, Avoidance Action, suit, account, controversy, agreement, promise, right to legal remedies, right to equitable remedies, right to payment, or Claim (as defined in Bankruptcy Code Section 101(5)), whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured and whether asserted or assertable directly or derivatively, in law, equity, or otherwise to one another or to any Claimholder or Interests holder, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission originating or occurring on or after the Petition Date through and including the Effective Date in connection with, relating to, or arising out of the Debtors, the Chapter 11 Cases, the negotiation and filing of the Plan or any prior plans, the filing of the Chapter 11 Cases, the pursuit of confirmation of the Plan or any prior plans, the consummation of the Plan, the administration of the Plan, or the property to be liquidated and/or distributed under the Plan, except for their willful misconduct or gross negligence as determined by a Final Order of a court of competent jurisdiction, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Plan *provided, however*, that the foregoing shall not extinguish the personal liability of any of the aforementioned Entities for any statutory violation of applicable tax laws or bar any right of action asserted by a governmental taxing authority against the aforementioned Entities for any statutory violation of applicable tax laws.

8. Term of Bankruptcy Injunction or Stays

All injunctions or stays provided for in the Chapter 11 Cases under Bankruptcy Code section 105 or 362, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms

9. Compromises and Settlements

The Plan provides that it embodies a good faith compromise and settlement of all claims against and interests in the Debtors, including the substantive consolidation and related intercompany issues discussed in Section VI.B.2 above. More specifically, pursuant to Bankruptcy Code section 1123(b)(3) and Bankruptcy Rule 9019, and in consideration for the Distributions and other benefits provided under the Plan, the provisions of the Plan, including the Share Purchase Transaction and the releases set forth in the Plan, shall constitute a good faith compromise and settlement of all Claims or controversies relating to the rights that a Holder of a Claim or Interest may have with respect to any Claim, Interest or any

Distribution to be made pursuant to the Plan on account of any Allowed Claim or Interest or on account of any Intercompany Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such Claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Reorganized Debtors and their respective property and Claim and Interest Holders and is fair, equitable and reasonable.

P. Miscellaneous Provisions

1. Modifications and Amendments

The Debtors may alter, amend or modify the Plan or any Exhibits thereto under Bankruptcy Code section 1127(a) at any time prior to the Confirmation Date. After the Confirmation Date and prior to substantial consummation of the Plan as defined in Bankruptcy Code section 1101(2), the Debtors may, under Bankruptcy Code section 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan so long as such proceedings do not adversely affect the treatment of Holders of Claims or Interests; provided, however, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Court.

2. Severability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, then the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

3. Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of that Person.

4. Payment of Statutory Fees

All fees then due and payable pursuant to 28 U.S.C. § 1930, as determined by the Court at the Confirmation Hearing, shall be paid on or before the Effective Date by the Debtors. All such fees that become due and payable thereafter by a Debtor shall be paid by Reorganized Syms. Reorganized Syms shall pay quarterly fees to the U.S. Trustee until the Chapter 11 Cases are closed or converted and/or the entry of final decrees. Reorganized Syms shall file post-confirmation quarterly reports or any pre-confirmation monthly operating reports not filed as of the Confirmation Hearing in conformance with the U.S. Trustee Guidelines. The U.S. Trustee shall not be required to file a request for payment of its quarterly fees, which shall be paid by Reorganized Syms.

5. Dissolution of Official Committees

On the Effective Date, the Creditors' Committee and the Equity Committee shall dissolve and the members of such committees shall be released and discharged from all duties and obligations arising from or related to the Chapter 11 Cases. Reorganized Syms shall select and direct counsel to represent the Reorganized Debtors in the Chapter 11 Cases before the Bankruptcy Court.

6. Revocation, Withdrawal or Non-Consummation

The Debtors reserve the right to revoke or withdraw the Plan as to any or all of the Debtors prior to the Confirmation Date and to file subsequent plans. If the Plan Proponents revoke or withdraw the Plan as to any or all of the Debtors, or if Confirmation or Consummation of the Plan as to any or all of the Debtors does not occur, then, with respect to such Debtors, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for Consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, such Debtors or any other Person, (ii) prejudice in any manner the rights of such Debtors or any other Person, or (iii) constitute an admission of any sort by such Debtors or any other Person.

Q. Post-Effective Date Professional Fees; Final Fee Applications

The Professionals employed by the Debtors or the Creditors' Committee shall be entitled to reasonable compensation and reimbursement of actual, necessary expenses for post-Effective Date activities, including the preparation, filing, and prosecution of final fee applications, upon the submission of invoices to the Debtors. Any time or expenses incurred in the preparation, filing, and prosecution of final fee applications shall be disclosed by each Professional in its final fee application and shall be subject to approval of the Bankruptcy Court.

All Final Fee Applications must be filed no later than forty-five (45) days after the Effective Date. Objections, if any, to Final Fee Applications of such Professionals must be filed and served on the Debtors and their respective counsel, the Creditors' Committee and its counsel and the Equity Committee and its counsel, the requesting Professional and the Office of the U.S. Trustee no later than twenty (20) days from the date on which each such Final Fee Application is served and filed. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the allowed amounts of such Professional Fee Claims shall be determined by the Court.

R. Professional Fee Claims

1. Final Fee Applications

All Final Fee Applications must be filed no later than forty-five (45) days after the Effective Date. Objections, if any, to Final Fee Applications of such Professionals must be filed and served on the Debtors and their respective counsel, the Creditors' Committee and its counsel and the Equity Committee and its counsel, the requesting Professional and the Office of the U.S. Trustee no later than twenty (20) days from the date on which each such Final Fee Application is served and filed. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the allowed amounts of such Professional Fee Claims shall be determined by the Court.

2. **Employment of Professionals after the Effective Date**

From and after the Effective Date, any requirement that professionals comply with Bankruptcy Code sections 327 through 331 or any order previously entered by the Bankruptcy Court in seeking retention or compensation for services rendered or expenses incurred after such date will terminate.

S. Substantial Contribution Compensation and Expenses Bar Date

Any Person who wishes to make a Substantial Contribution Claim based on facts or circumstances arising after the Petition Date, must file an application with the clerk of the Court, on or before the Administrative Claims Bar Date, and serve such application on counsel for the Debtors, counsel for the Creditors' Committee, and counsel for the Equity Committee, and as otherwise required by the Court and the Bankruptcy Code, or be forever barred from seeking such compensation or expense reimbursement. Objections, if any, to the Substantial Contribution Claim must be filed no later than the Administrative Claims Objection Deadline, unless otherwise extended by Order of the Court.

T. Administrative Claims

All Administrative Claims arising after the Petition Date, other than Professional Fee Claims, must be filed with the Claims Agent and served on counsel for the Debtors so as to be received no later than 5:00 p.m., Eastern Time on the Administrative Claims Bar Date. Any such Claim may be submitted in person or by courier service, hand delivery or mail addressed to the Claims Agent at the Claims Agent's applicable addresses as specified in Article XIII.F of the Plan. Any such Claim submitted by facsimile will not be accepted and will not be deemed filed until such Claim is submitted by one of the methods described in the foregoing sentence. An Administrative Claim will be deemed filed only when actually received by the Claims Agent. Unless Reorganized Syms or any other party in interest objects by the Administrative Claims Objection Deadline to an Administrative Claimant, such Claim shall be deemed allowed in the amount requested. In the event that Reorganized Syms or any other party in interest objects to such a Claim, the Bankruptcy Court shall determine the allowed amount of such Claim.

U. Retention of Jurisdiction

Under Bankruptcy Code sections 105(a) and 1142, and notwithstanding entry of the Confirmation Order, substantial consummation of the Plan and occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan, including, among other things, jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim, the resolution of any objections to the allowance or priority of Claims or Interests and the determination of requests for the payment of Claims entitled to priority under Bankruptcy Code section 507(a)(1), including compensation of any reimbursement of expenses of parties entitled thereto;
2. Hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under Bankruptcy Code sections 330, 331, 503(b), 1103, and 1129(a)(4); provided, however, that from and after the Effective Date, the payment of the fees and expenses of the retained Professionals of the Debtors shall be made in the ordinary course of business and

shall not be subject to the approval of the Bankruptcy Court except to the extent otherwise provided in this Plan or the Confirmation Order;

3. Hear and determine all matters with respect to the assumption or rejection of any executory contract or unexpired lease to which a Debtor is a party or with respect to which a Debtor may be liable, and to hear, determine and, if necessary, liquidate any Claims arising therefrom;
4. Effectuate performance of and payments under the provisions of the Plan;
5. Hear and determine any and all adversary proceedings, motions, applications and contested or litigated matters arising out of, under or related to the Chapter 11 Cases or the Plan;
6. Enter such orders as may be necessary or appropriate to execute, implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;
7. Hear and determine disputes arising in connection with the interpretation, implementation, consummation or enforcement of the Plan, including disputes arising under agreements, documents or instruments executed in connection with the Plan;
8. Consider any modifications of the Plan, and cure any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
9. Issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with implementation, consummation, or enforcement of the Plan or the Confirmation Order;
10. Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified or vacated;
11. Hear and determine any matters arising in connection with or relating to the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan, the Plan Supplement, the Disclosure Statement or the Confirmation Order;
12. Enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Cases;
13. Except as otherwise limited herein, recover all assets of the Debtors and property of the Estates, wherever located;
14. Hear and determine matters concerning state, local and federal taxes in accordance with Bankruptcy Code sections 346, 505 and 1146;

15. Hear and determine any Causes of Action and Avoidance Actions, including any such Causes of Action and Avoidance Actions brought by the Debtors;
16. Hear and determine all disputes involving the existence, nature or scope of the injunctions, indemnification, exculpation and releases granted pursuant to this Plan;
17. Hear and determine all matters related to (i) the property of the Estates from and after the Confirmation Date, (ii) any winding up of the Debtors' affairs, and (iii) the activities of the Debtors, including (A) challenges to or approvals of the Debtors' activities and (B) reporting by, termination of and accounting by the Debtors;
18. Hear and determine all disputes involving any dispute relating to any liability arising out of any termination of employment or the termination of any employee or retiree benefit provision, regardless of whether such termination occurred prior to or after the Effective Date;
19. Hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;
20. Enforce all orders previously entered by the Bankruptcy Court;
21. Dismiss any and/or all of the Chapter 11 Cases; and
22. Enter a final decree closing the Chapter 11 Cases.

VIII. CERTAIN RISK FACTORS TO BE CONSIDERED

As set forth at the beginning of this Disclosure Statement, there is no guarantee that the assumptions underlying the Debtors' business plan will continue to be accurate or valid at any time after the date hereof. This section of the Disclosure Statement explains that there are certain risk factors that each voting holder of a claim or interest should consider in determining whether to vote to accept or reject the Plan. Accordingly, each holder of a claim or interest who is entitled to vote on the Plan should read and carefully consider the following factors, as well as the other information set forth in this Disclosure Statement (and the documents delivered together herewith and/or incorporated by reference herein), before deciding whether to vote to accept or to reject the Plan.

A. General Considerations

The Plan sets forth the means for satisfying the claims against and interests in each of Syms and Filene's. Certain claims may not receive payment in full. Nevertheless, the reorganization of the Debtors' businesses and operations under the proposed Plan avoids the potentially adverse impact of the likely increased delays and costs associated with a Chapter 7 liquidation of either or both entities.

B. Certain Bankruptcy Considerations

Even if all impaired voting classes vote in favor of the Plan and, with respect to any impaired class deemed to have rejected the Plan, the requirements for "cramdown" are met, the Bankruptcy Court may not confirm the Plan if circumstances warrant. Bankruptcy Code section 1129 requires, among other things, a showing that the value of distributions to dissenting holders of claims and interests may not be

less than the value such holders would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code. Although the Debtors believe that the Plan will meet such tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion. See Exhibit F annexed hereto for a Liquidation Analysis of the Debtors.

Additionally, certain conditions must be fulfilled prior to confirmation of the Plan and the Effective Date. As of the date of this Disclosure Statement, there can be no assurance that any or all of the conditions in the Plan will be met (or waived) or that the other conditions to consummation, if any, will be satisfied. The Debtors reserve their right to seek to dismiss or convert one or more of the Chapter 11 Cases. In addition, if a Chapter 7 liquidation were to occur, there is a substantial risk that the value of the Debtors' Estates would be substantially eroded to the detriment of all stakeholders.

C. Certain Real Estate – Related Considerations

1. Future Economic Conditions

The value of the Syms Owned Real Estate may be affected by volatility and illiquidity in the financial and credit markets and other market or economic challenges experienced by the U.S. economy or real estate industry as a whole. For instance, as a result of the economic downturn and global recession that began in the second half of 2007, demand for retail space such as that owned by Syms declined nationwide due to industry slowdowns, bankruptcies, downsizing, layoffs and cost cutting. Real estate transactions and development opportunities lessened compared to the period prior to the current economic downturn. A return to the strong real estate conditions that prevailed in the first half of 2007 is not expected in the near term, and demand for retail space such as the Syms Owned Real Estate may continue to be flat or decline further.

Given the current economic conditions, it may be difficult to lease space, collect rent, and attract new tenants for the Syms Owned Real Estate, and it may become more difficult to market and sell any particular parcel of the Syms Owned Real Estate. Further, the cost and availability of credit may be adversely affected by illiquid credit markets and wider credit spreads, which may adversely affect the liquidity and financial condition of Syms tenants.

The Syms Owned Real Estate is located predominately in the New York City metropolitan area, as well as in markets in the Southeastern section of the United States. A downturn in the economies of any these local markets could reduce demand for retail space even in the event of a general market upswing. Because the Syms portfolio consists primarily of retail space (as compared to a more diversified real estate portfolio), a decrease in demand for retail space in turn could adversely affect the value of the Syms Owned Real Estate.

2. Effectiveness and Modification of Business Plan/ Ability to Sell Real Estate Within Forecast Time Period and Application of Transfer Restrictions

Real estate investments are relatively illiquid, and as a result, Syms' ability to sell one or more parcels of the Syms Owned Real Estate may be limited. There can be no assurance that Syms will be able to dispose of any particular parcel of the Syms Owned Real Estate within a stated time period or for a stated price. In addition, significant carrying costs are associated with each parcel of real property, such as insurance, real estate taxes and maintenance costs.

3. Ability to Obtain New Tenants and Relet Space

The value of the Syms Owned Real Estate will depend in part on whether the properties are leased up with long term credit worthy tenants. Therefore, if current tenants decide not to renew their

leases when such leases expire, Syms may have difficulty finding replacement tenants for those leases. Moreover, even if existing tenants do renew their leases or Syms can relet the space, it may not be able to retain favorable economic terms because of, among other factors, the cost of required renovations for any particular lease. If Syms is unable to promptly renew the leases or relet the space at similar rates, the value of the affected real property could be adversely affected.

4. Tenants May Be Unable to Meet Rent Terms

The value of the Syms Owned Real Estate will depend in part on tenants' ability to remain current on their rent. If a significant number of tenants cannot pay their rent or if Syms is not able to maintain occupancy levels on favorable terms the sale value of the affected property may decline. In addition, if a tenant does not pay its rent, Syms may incur costs to enforce its rights as landlord. During economic downturns in the economy, there may be an increase in the number of tenants that cannot pay their rent and a corresponding increase in vacancy rates.

5. Competitive Nature of Real Estate Business

The Syms Owned Real Estate is located in various locations across the United States, some of which are highly competitive environments. Reorganized Syms will compete with a large number of property owners and developers, some of which may be willing to accept lower returns on their investments. Principal competitive factors include rents charged, attractiveness of location, the quality of the property and the breadth and quality of services provided. The value of the Syms Owned Property Real Estate depends upon, among other factors, trends in the national, regional and local economies, financial condition and operating results of current and prospective tenants and customers, availability and cost of capital, construction and renovation costs, taxes, governmental regulation, legislation and population trends.

6. Operating Costs do Not Decline in Proportion to Revenue

Pending disposition of the Syms owned real estate, Syms will earn a substantial majority of its income from renting its properties. Its operating costs, however, do not fluctuate in relation to changes in rental revenue. As a result, costs will not necessarily decline even if revenues do. Similarly, operating costs could increase while revenues stay flat or decline. In either such event, Syms may be forced to borrow to cover costs, it may incur losses or it may not have cash available for distributions to creditors or shareholders.

7. Reliance on Small Number of Properties for Significant Portion of Revenue.

Syms' revenue and cash available for distribution to creditors and dividends to shareholders would be materially adversely affected if any of its properties were materially damaged or destroyed. Additionally, revenue and cash available for distribution could be materially adversely affected if tenants at these properties fail to timely make rental payments due to adverse financial conditions or otherwise default under their leases or file for bankruptcy.

8. Potential Costs to Comply with Environmental Laws

Under various federal, state and local laws, ordinances and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances released at a property, and may be held liable to a governmental entity or to third parties for property damage or personal injuries and for investigation and clean-up costs incurred by the parties in connection with the contamination. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of the hazardous or toxic substances. The presence

of contamination or the failure to remediate contamination may adversely affect the owner's ability to sell or lease real estate or to borrow using the real estate as collateral. Other federal, state and local laws, ordinances and regulations require abatement or removal of asbestos-containing materials in the event of demolition or certain renovations or remodeling, the cost of which may be substantial for certain redevelopment projects that a potential purchaser would want to undertake with respect to any particular parcel of Syms Owned Real Estate, and also govern emissions of and exposure to asbestos fibers in the air. Federal and state laws also regulate the operation and removal of underground storage tanks. In connection with the ownership and management of certain properties, Reorganized Syms could be held liable for the costs of remedial action with respect to these regulated substances or related claims.

9. Potential Natural or Other Disasters

A number of the parcels comprising the Syms Owned Real Estate are located in areas which could be subject to natural or other disasters, including hurricanes, severe tropical storms, and tornados.

10. Some Potential Property Losses Are Not Insured

Reorganized Syms will carry comprehensive liability, fire, flood, earthquake, extended coverage and rental loss insurance on all properties, which it believes will be adequate and appropriate. There are, however, some types of losses, including lease and other contract claims, which may not be covered by insurance. If an uninsured loss or a loss in excess of insured limits occurs, such loss could have a negative impact on Reorganized Syms and/or the anticipated future revenue from any particular parcel of Syms Owned Real Estate.

11. Risks Related to Terrorism

Future terrorist attacks in the United States or other acts of violence may result in declining economic activity, which could harm the demand for goods and services offered by Syms tenants and the value of its properties. Such a resulting decrease in retail demand could make it difficult for Syms to renew, re-lease or sell Syms properties. Terrorist activities or violence also could directly affect the value of its properties through damage, destruction or loss, and the availability of insurance for such acts, or of insurance generally, might be lower or cost more, which could increase Syms' operating expenses and adversely affect its financial condition and results of operations. To the extent that Syms' tenants are affected by future attacks, their businesses similarly could be adversely affected, including their ability to continue to meet obligations under their existing leases. These acts might erode business and consumer confidence and spending and might result in increased volatility in national and international financial markets and economies. Any one of these events might decrease demand for real estate, or decrease or delay the occupancy of Syms' new or redeveloped properties.

12. Inflation

Increased inflation could have a pronounced negative impact on Syms' general and administrative expenses, as these costs could increase at a rate higher than Syms' rents. Conversely, deflation could lead to downward pressure on rents and other sources of income.

13. Compliance with Americans with Disabilities Act and Similar Laws

Syms' properties may be subject to risks relating to current or future laws, including laws benefiting disabled persons, and other state or local zoning, construction or other regulations. These laws may require significant property modifications in the future, which could result in fines being levied against Syms. The occurrence of any of these events could have an adverse impact on our cash flows and ability to make timely distributions.

Under the Americans with Disabilities Act, or ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. Additional federal, state and local laws also may require modifications to Syms' properties, or restrict Syms ability to renovate its properties. If one or more of Syms' properties is not in compliance with the ADA or other legislation, then Syms may be required to incur additional costs to bring the property into compliance with the ADA or similar state or local laws. Syms cannot predict the ultimate amount of the cost of compliance with ADA or other legislation. If Syms incurs substantial costs to comply with the ADA and any other legislation, our financial condition, results of operations and cash flow and/or ability to satisfy its debt service obligations and to make distributions could be adversely affected.

D. Cash Available for Distribution on Account of General Unsecured Claims

While the Debtors currently estimate that there will be cash available for distributions to holders of unsecured claims and Syms shareholders, not all claims have been resolved or fixed in amount, and all costs and expenses of completing the wind-down of the estates cannot be estimated with certainty. As a result, the actual allowed amounts of all such claims could turn out to be substantially higher than the estimates made by the Debtors. Accordingly, there can be no assurance that there will be cash available for distribution to all holders of unsecured claims or Syms shareholders.

E. Potential Governmental Claims Relating to Employee Benefits

The Debtors' employee benefit plans are subject to the regulatory authority of governmental agencies, including the Pension Benefit Guaranty Corporation (the "PBGC"), the Department of Labor and the Internal Revenue Service. As noted above, the Syms Corp. Retirement Plan (the "Pension Plan") is likely underfunded. The Pension Plan has not yet been terminated. Syms also participates in certain multi-employer pension plans, and faces potential withdrawal liability for those plans. The PBGC, as the government agency that affords certain guarantees of pension plan liabilities for terminated single and multi-employer pension plans, is anticipated to assert joint and several claims based upon the estimate of the difference between liabilities to the Debtors' plan beneficiaries and the current value of the plan assets. The ultimate allowance of claims that have been filed against the Debtors by the PBGC may impact the distributions to holders of Syms' and Filenes' general unsecured claims.

IX. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain anticipated U.S. federal income tax consequences of the Plan to the Debtors and certain holders of claims and interests that are impaired under the Plan and that are entitled to vote to accept or reject the Plan. This discussion is provided for information purposes only and is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), Federal Treasury regulations promulgated thereunder, judicial authorities, and current administrative rulings and practice, all as in effect as of the date hereof, and all of which are subject to change or differing interpretations, possibly with retroactive effect.

This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to a particular holder of a claim or interest in light of its particular facts and circumstances, or to certain types of holders of claims or interests subject to special treatment under the Tax Code (for example, non-U.S. tax payers, governmental entities and entities exercising governmental authority, banks and certain other financial institutions, broker-dealers, insurance companies, tax-exempt organizations, real estate investment trusts, regulated investment companies, persons holding a claim or interest as part of a hedge, straddle, constructive sale, conversion transaction or other integrated transaction, holders of claims or interests that are or hold their claims or interests through a partnership or other pass-through entity, persons that have a functional currency other than the U.S. dollar, dealers in securities or foreign currencies, employees of the Debtors, and persons who received their claims

pursuant to the exercise of an employee stock option or otherwise as compensation). This discussion assumes that holders of claims or interests hold their claims or interests as capital assets for U.S. federal income tax purposes (generally, property held for investment). This discussion does not address any aspects of state, local, non-U.S. taxation or U.S. federal taxation other than income taxation. Furthermore, this discussion does not address the U.S. federal income tax consequences to holders of claims or interests that are unimpaired under the Plan or holders of claims or interests that are not entitled to receive or retain any property under the Plan.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds claims or interests, the U.S. federal income tax consequences to the partners of such partnership will depend on the activities of the partnership and the status of the partners. A partnership considering participating in the Plan should consult its tax advisor regarding the consequences to the partnership and its partners of the Plan.

The tax treatment of holders of claims or interests and the character, amount and timing of income, gain or loss recognized as a consequence of the Plan and the distributions provided for by the Plan may vary, depending upon, among other things: (i) whether the claim or interest (or portion thereof) constitutes a claim for principal or interest; (ii) the type of consideration received by the holder of such claim or interest in exchange for the claim or interest and whether the holder of such claim or interest receives distributions under the Plan in more than one taxable year; (iii) whether the holder of such claim or interest is a citizen or resident of the United States for tax purposes, is otherwise subject to U.S. federal income tax on a net basis, or falls into any special class of taxpayers, such as those that are excluded from this discussion as noted above; (iv) the manner in which the holder of such claim or interest acquired the claim or interest; (v) the length of time that the claim or interest has been held; (vi) whether the claim or interest was acquired at a discount; (vii) whether the holder of such claim or interest has taken a bad debt deduction with respect to the claim or interest (or any portion thereof) in the current or prior years; (viii) whether the holder of such claim has previously included accrued but unpaid interest with respect to the claim; (ix) the method of tax accounting of the holder of such claim or interest; (x) whether the claim or interest is an installment obligation for U.S. federal income tax purposes; (xi) whether the claim or interest, and any instrument received in exchange therefor, is considered a "security" for U.S. federal income tax purposes; and (xii) whether the "market discount" rules are applicable to the holder of such claim or interest. Therefore, each holder of a claim or interest should consult its tax advisor for information that may be relevant to its particular situation and circumstances, and the particular tax consequences to such holder of the transactions contemplated by the Plan.

A substantial amount of time may elapse between the date of this Disclosure Statement and the receipt of a final distribution under the Plan. Events occurring after the date of this Disclosure Statement, such as additional tax legislation, court decisions or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder. There can be no assurance that the Internal Revenue Service ("IRS") will not take a contrary view with respect to one or more of the issues discussed below. No ruling has been or will be sought from the IRS with respect to any of the tax aspects of the Plan, and no opinion of counsel has been or will be obtained by the Debtors with respect thereto. No representations are being made regarding the particular tax consequences of the confirmation or implementation of the Plan as to any holder of a claim or interest. This discussion is not binding upon the IRS or other taxing authorities. No assurance can be given that the IRS or another authority would not assert, or that a court would not sustain, a different position from any discussed herein. Accordingly, each holder of a claim or interest is strongly urged to consult its tax advisor regarding the U.S. federal, state, local, and non-U.S. tax consequences of the Plan to such holder of a claim or interest.

THE FOLLOWING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FOLLOWING DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT ITS TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL, AND APPLICABLE NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF CLAIMS AND INTEREST ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY SUCH HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH HOLDERS UNDER THE TAX CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTORS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) EACH HOLDER OF A CLAIM OR INTEREST SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. Treatment of Reorganization

[to come]

B. Consequences to the Debtors

[to come]

C. Consequences to Claimholders

[to come]

D. Consequences to Holders of Syms Interests (Syms Class 6)

[to come]

E. Information Reporting and Backup Withholding

Certain payments, including the payments with respect to claims or interests pursuant to the Plan, may be subject to information reporting to the IRS. Moreover, under certain circumstances, holders of claims or interests may be subject to "backup withholding" at a rate of 28% with respect to payments made pursuant to the Plan, unless such holder of a claim or interest either (i) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates this fact, or (ii) provides a correct United States taxpayer identification number and certifies under penalty of perjury that the holder is a United States person, the taxpayer identification number is correct and the taxpayer is not subject to backup withholding because of a failure to report all dividend and interest income.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against the U.S. federal income tax liability of a holder of a claim or interest, and such a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS (generally, a U.S. federal income tax return).

In addition, Treasury regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer claiming a loss in excess of specified thresholds. Each holder of a claim or interest is strongly urged to consult its tax advisor regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on such holder's tax returns.

F. Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON THE PARTICULAR CIRCUMSTANCES OF A HOLDER OF A CLAIM OR INTEREST. ACCORDINGLY, HOLDERS OF CLAIMS AND INTEREST ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE FEDERAL, STATE AND LOCAL, AND APPLICABLE FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

X. FEASIBILITY OF THE PLAN AND BEST INTERESTS OF CREDITORS

A. Feasibility of the Plan

The Bankruptcy Code requires that the Bankruptcy Court determine that the confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors. For purposes of showing that the Plan meets this "feasibility" standard, the Debtors have analyzed their ability to meet their respective obligations under the Plan. To support their belief in the feasibility of the Plan, the Debtors prepared their respective financial projection (the "Financial Projections") set forth as Exhibit D to this Disclosure Statement. The Financial Projections show that the Debtors should have sufficient cash to make payments required under the Plan and to pay their operating expenses pending disposition of their assets. Accordingly, the Debtors believe the Plan is feasible and meets the requirements of section 1129(a)(11) of the Bankruptcy Code.

THE FINANCIAL PROJECTIONS ARE BY THEIR NATURE FORWARD LOOKING, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE INFORMATION SET FORTH THEREIN. ACCORDINGLY, READERS OF THIS DISCLOSURE STATEMENT ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE FINANCIAL PROJECTIONS, AND SHOULD CAREFULLY REVIEW SECTION VIII "**CERTAIN RISK FACTORS TO BE CONSIDERED**" HEREIN.

The Financial Projections were not prepared with a view toward compliance with the published guidelines of the American Institute of Certified Public Accountants or any other regulatory or professional agency or body or generally accepted accounting principles. Furthermore, the Debtors' independent certified public accountants have not compiled or examined the Financial Projections and accordingly, do not express any opinion or any other form of assurance with respect thereto and assume no responsibility for the Financial Projections.

In addition to assumptions footnoted in the Financial Projections themselves, the Financial Projections also assume that (i) the Plan will be confirmed and consummated in accordance with its terms, and (ii) there will be no material contingent or unliquidated litigation or indemnity claims applicable to the Debtors. Although considered reasonable by the Debtors as of the date hereof,

unanticipated events and circumstances occurring after the preparation of the Financial Projections may affect actual recoveries under the Plan.

As discussed at the beginning of this Disclosure Statement, the Debtors do not intend to update or otherwise revise the Disclosure Statement, including the Financial Projections, to reflect events or circumstances existing or arising after the date hereof or to reflect the occurrence of unanticipated events, even if any or all of the underlying assumptions do not come to fruition. Notwithstanding the foregoing, however, the Debtors reserve the right to update or revise this Disclosure Statement, including the Financial Projections, prior to the Confirmation Hearing to reflect the disposition of any significant asset of the Debtors, such as a parcel of the Syms Owned Real Estate.

B. Best Interests Test

As a general matter, under the Bankruptcy Code, confirmation of a plan also requires a finding that, with respect to each impaired class of claims and interests, that each holder of an allowed claim or interest has voted to accept the plan, or that the plan provides that such holder will receive or retain property of a value, as of the plan's effective date, that is not less than the amount that such holder would receive or retain if the debtor were to be liquidated under chapter 7 of the Bankruptcy Code. This requirement is known as the "best interests of creditors" test.

In this case, the best interests test must be satisfied with respect to holders of claims in Syms Classes 4 and 6, and Filene's Classes 4, and 5, because those are the only classes of claims and interests entitled to vote to accept or reject the Plan. In order to calculate the probable distribution to holders of claims and interests in such classes if the Debtors were liquidated under chapter 7, the Bankruptcy Court must first determine the aggregate dollar amount that would be generated from each Debtor's assets if their chapter 11 cases were converted to chapter 7 cases under the Bankruptcy Code. This "liquidation value" would consist primarily of the proceeds from a forced sale of the Debtors' assets by a chapter 7 trustee.

The amount of liquidation value available to Syms and Filene's unsecured creditors would be reduced by, first, the claims of secured creditors to the extent of the value of their collateral, and, second, by the costs and expenses of liquidation, as well as by other administrative expenses and costs of both the chapter 7 cases and the chapter 11 cases. Costs of liquidation under chapter 7 of the Bankruptcy Code would include the fees payable to a chapter 7 trustee, as well as those attorneys and other professionals that such trustee would retain. All claims arising from the operations of the Debtors during the pendency of the chapter 11 cases would also have to be satisfied as chapter 7 expenses. In addition, the liquidation costs would include expenses incurred with respect to selling the Syms Owned Real Estate and the intellectual property assets belonging to Filene's. The liquidation itself may trigger certain tax and other priority claims that otherwise would be due in the ordinary course of business. Those priority claims would be paid in full from the liquidation proceeds before the balance would be made available to pay general unsecured claims or to make any distribution in respect of equity interests.

After considering the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to Syms and Filene's unsecured creditors, including (i) the increased costs and expenses of liquidation under chapter 7 arising from fees payable to a trustee in bankruptcy, (ii) the erosion in value of assets in the context of the expeditious liquidation required in a chapter 7 case and the "forced sale" atmosphere that would prevail, and (iii) the increase in administrative costs and other claims that would be satisfied on a priority basis, the Debtors have determined that confirmation of the Plan will provide each holder of an allowed claim with a recovery that is not less than such holder would receive under a liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

The Debtors' analysis of creditor and shareholders recoveries under a chapter 7 liquidation scenario (the "Liquidation Analysis") is attached as Exhibit F. The information set forth in Exhibit F provides a summary of the liquidation values of the Debtors' respective assets assuming a chapter 7 liquidation in which a trustee appointed by the Bankruptcy Court would liquidate the assets of the Debtors. Underlying the Liquidation Analysis are a number of estimates and assumptions that, although considered reasonable by the Debtors' management, are inherently subject to significant economic and market uncertainties and contingencies. The Liquidation Analysis is also based upon assumptions with regard to liquidation decisions that are subject to change. Accordingly, the values reflected in the Liquidation Analysis may not be realized if the Debtors were, in fact, to undergo such a chapter 7 liquidation.

Under the Liquidation Analysis, holders of Class 4 claims against Syms and Class 4 and 5 claims against Filene's will receive at least as much under the Plan than in a liquidation. As demonstrated in the Liquidation Analysis, creditors of Syms would be paid in full in a chapter 7 liquidation. The same is true under the Plan. Accordingly, the best interests test is satisfied with respect to Syms. In the event of a chapter 7 liquidation of Filene's, estimated distributions to unsecured creditors would be approximately [] %, whereas under the Plan, holders of Filene's Class 4 claims will receive recoveries of 100 cents on the dollar and holders of Filene's Class 5 claims will receive recoveries of [75] cents on the dollar. Accordingly, the best interests test is satisfied with respect to Filene's as well.

C. Confirmation Without Acceptance of All Impaired Classes: The "Cramdown" Alternative

Bankruptcy Code section 1129(b) provides that a plan can be confirmed even if the plan is not accepted by all impaired classes, as long as at least one impaired class of claims has accepted it. Under this section of the Bankruptcy Code, the Bankruptcy Court may confirm the Plan at the request of the Debtors if the Plan "does not discriminate unfairly" and is "fair and equitable" as to each impaired class that has not accepted the plan.

In general, a plan does not discriminate unfairly within the meaning of the Bankruptcy Code if a dissenting class is treated equally with respect to other classes of equal rank. A plan is fair and equitable as to a class of claims which rejects a plan if the plan provides (a) for each holder of a claim included in the rejecting class to receive or retain on account of that claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) that the holder of any claim or interest that is junior to the claims of such class will not receive or retain on account of such junior claim or interest any property at all. With respect to a class of interests, a plan is fair and equitable with respect to such class if the plan provides that each holder of an interest receive or retain on account of such interest property that has a value, as of the effective date of the plan, equal to the greatest of (a) the allowed amount of any fixed liquidation preference to which such holder is entitled, (b) any fixed redemption price to which such holder is entitled, or (c) the value of such interest.

In this case, the Debtors believe that the Plan satisfies these standards and would be confirmed over the rejecting vote of any impaired class or classes.

XI. PLAN SUPPLEMENT

Exhibits to the Plan not attached hereto shall be filed in one or more Plan Supplements. Any Plan Supplement (and amendments thereto) filed by the Debtors shall be deemed an integral part of the Plan and shall be incorporated by reference as if fully set forth herein. The Plan Supplements may be viewed at the office of the clerk of the Court or its designee during normal business hours, by visiting the Court's website at www.deb.uscourts.gov (PACER account required) or at the Claims Agent website <http://www.kccllc.net/filenes>, or by written request to the Claims Agent at

Kurtzman Carson Consultants, LLC
Re: Syms Corp., et al.
2335 Alaska Avenue
El Segundo, CA 90245
Attn.: Voting Department
Email: FilenesInfo@kccllc.com
Telephone: (877) 606-7510

The documents contained in any Plan Supplements shall be subject to approval by the Bankruptcy Court pursuant to the Confirmation Order.

XII. RECOMMENDATION AND CONCLUSION

For all of the reasons set forth in this Disclosure Statement, the Debtors believe that confirmation and consummation of the Plan is preferable to all other alternatives. Consequently, the Debtors urge all holders of claims in Syms Class 4 and Filene's Classes 4 and 5 and interests in Syms Class 6 to vote to ACCEPT the Plan, and to complete and return their ballots in accordance with the ballot instructions so that they will be RECEIVED by the Voting Agent on or before 5:00 p.m. (prevailing Pacific Time) on _____, 2012.

Dated: Wilmington, Delaware
May 24, 2012

SYMS CORP.
(for itself and on behalf of its Subsidiary
Debtors)

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Exhibit A

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

----- X
In re: : Chapter 11
: :
Filene's Basement, L.L.C., et al., : Case No. 11-13511 (KJC)
: :
Debtors. : Jointly Administered
: :
----- X

**JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SYMS CORP.
AND ITS SUBSIDIARIES**

Co-Proposed by the Debtors and the Official Committee of Syms Corp. Equity Security Holders

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Dated: May 24, 2012
Wilmington, Delaware

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EXHIBITS

EXHIBIT A NON-EXCLUSIVE LIST OF CAUSES OF ACTION AND AVOIDANCE ACTIONS

EXHIBIT B LIST OF ASSUMED AGREEMENTS

EXHIBIT C CERTIFICATE OF INCORPORATION AND BY LAWS

Note: To the extent that the foregoing Exhibits and any additional Exhibits are not annexed to this Plan, such Exhibits will be filed with the Bankruptcy Court in Plan Supplement(s) filed on or before the date(s) set for the filing of such documents and forms of documents.

INTRODUCTION

Syms Corp. (“Syms”), Filene’s Basement, LLC (“Filene’s”), Syms Clothing, Inc. (“Clothing”), Syms Advertising Inc. (“Advertising” and, together with Syms, Filene’s, and Clothing, the “Debtors”), and the Equity Committee jointly propose the following joint chapter 11 plan of reorganization under chapter 11 of the Bankruptcy Code (as defined below). This Plan (as defined below) contemplates the reorganization of Syms into a real estate holding company that will operate and lease, as appropriate, its owned real estate assets pending their disposition in a non-distressed, commercially reasonable manner. The Plan also embodies a compromise and settlement, pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019, of certain matters related to the historical operation of the Debtors’ businesses, including a compromise and settlement of possible intercompany claims and claims that the Debtors’ Estates should be substantively consolidated.

All holders of Claims and Interests who are eligible to vote on the Plan are encouraged to read the Plan and the accompanying Disclosure Statement (including all exhibits thereto) in their entirety before voting to accept or reject the Plan. Subject to certain restrictions and requirements set forth in Bankruptcy Code section 1127 and Bankruptcy Rule 3019, the Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan prior to its substantial consummation. Reference is made to the Disclosure Statement, distributed contemporaneously herewith, for a discussion of the Debtors’ history, business, properties, and operations, a summary and analysis of the Plan, and certain related matters, including the settlements embodied in the Plan and the risk factors relating to the consummation of the Plan.

I. DEFINED TERMS AND RULES OF INTERPRETATION

A. Rules of Construction

For purposes of this Plan, except as expressly provided herein or unless the context otherwise requires, all capitalized terms not otherwise defined, including those capitalized terms used in the preceding Introduction, shall have the meanings ascribed to them in Article 1 of this Plan or any Exhibit hereto. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable. To the extent that there is an inconsistency between a definition in this Plan and a definition set forth in the Bankruptcy Code, the definition set forth herein shall control. Whenever the context requires, such terms shall include the plural as well as the singular number, the masculine gender shall include the feminine, and the feminine gender shall include the masculine.

B. Definitions

1.1 *Administrative Claim* means a Claim arising under Bankruptcy Code sections 503(b), 507(b), or 1114(e)(2), including, but not limited to, (a) any actual and necessary costs and expenses, incurred after the Petition Date, of preserving the Estates and operating the businesses of the Debtors (such as wages, salaries and commissions for services and payments for inventory, leased equipment and premises); (b) Professional Fee Claims; and (c) all fees and charges assessed against the Estates under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911-1930.

1.2 *Administrative Claims Bar Date* means the last date by which a request for payment of an Administrative Claim must be Filed, which date is sixty (60) days after the Effective Date; provided, however, that such date does not extend the time for filing claims set by the Initial Administrative Claims Bar Date.

1.3 Administrative Claims Objection Deadline means the last day for Filing an objection to any request for payment of an Administrative Claim which shall be (a) the later of (i) 180 days after the Effective Date or (ii) 90 days after the filing of such Administrative Claim or (b) such other date specified in this Plan or ordered by the Bankruptcy Court. The filing of a motion to extend the Administrative Claims Objection Deadline shall automatically extend the Administrative Claims Objection Deadline until a Final Order is entered on such motion. In the event that such motion to extend the Administrative Claims Objection Deadline is denied by the Bankruptcy Court, the Administrative Claims Objection Deadline shall be the later of the then-current Administrative Claims Objection Deadline (as previously extended, if applicable) or 30 days after the Bankruptcy Court's entry of an order denying the motion to extend the Administrative Claims Objection Deadline.

1.4 Administrative Claims Reserve means the reserve of Cash established by the Debtors pursuant to Article VI.E.2. hereof for Holders of Allowed Administrative Claims to the extent that such Allowed Claims have not otherwise been paid in full (or in the manner agreed upon between the Holder of each such Allowed Claim and the Debtors) prior to the Effective Date.

1.5 Advertising means Syms Advertising Inc.

1.6 Allowed Claim means a Claim or any portion thereof (a) that has been allowed by a Final Order of the Bankruptcy Court (or such court as the Debtors and the Holders of any such Claim agree may adjudicate such Claim and any objections thereto), (b) that either (x) has been Scheduled as a liquidated, non-contingent, and undisputed in an amount greater than zero on the Schedules, or (y) is the subject of a timely filed proof of claim as to which either (i) no objection to its allowance has been filed (either by way of objection or amendment to the Schedules) within the periods of limitation fixed by the Bankruptcy Code or by any order of the Bankruptcy Court or (ii) any objection to its allowance has been settled, waived through payment, withdrawn or overruled, or (c) that is expressly allowed in a liquidated amount in the Plan; provided, however, that with respect to an Administrative Claim, "Allowed Claim" means an Administrative Claim as to which a timely written request for payment has been made in accordance with the Administrative Claims Bar Date as to which the Debtors, or any other party in interest (x) has not interposed a timely objection or (y) has interposed a timely objection and such objection has been settled, waived through payment, withdrawn or overruled; provided further, however, that for purposes of determining the status (i.e., Allowed or Disputed) of a particular Claim prior to the expiration of the period fixed for filing objections to the allowance or disallowance of Claims, any such Claim which has not been previously allowed or disallowed by a Final Order of the Bankruptcy Court or the Plan shall be deemed a Disputed Claim unless such Claim is specifically identified by the Debtors as being an Allowed Claim.

Notwithstanding the foregoing, an Insured Claim shall become an Allowed Claim only at such time and to the extent that such a claim becomes the subject of a final, nonappealable adjudication of liability and damages in a court or other tribunal of competent jurisdiction or a definitive written agreement in compromise of such claim pursuant to Section VII.I.4 of the Plan between and among the Holder, the Debtor(s) or Reorganized Debtor(s), as applicable, against whom such Claim is asserted, and, to the extent required by the terms of the underlying insurance policy, the issuer of such policy.

1.7 Allowed ... Claim means an Allowed Claim of the particular type or Class described.

1.8 Avoidance Actions means causes of action arising under Bankruptcy Code sections 502, 510, 541, 542, 544, 545, 547, 548, 549, 550, 551 or 553, or under related state or federal statutes and common law, including, without limitation, fraudulent transfer laws, whether or not litigation is commenced to prosecute such causes of action.

1.10 *Ballot* means each of the ballot forms distributed to each Holder of a Claim or Interest entitled to vote to accept or reject this Plan.

1.11 *Bankruptcy Code* means title 11 of the United States Code, as now in effect or hereafter amended and as applicable to the Chapter 11 Cases.

1.12 *Bankruptcy Court* means the United States Bankruptcy Court for the District of Delaware, or any other court with original jurisdiction over the Chapter 11 Cases.

1.13 *Bankruptcy Rules* means, collectively, the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended and as applicable to the Chapter 11 Cases or proceedings therein, as the case may be, and the Local Rules, as now in effect or hereafter amended.

1.14 *Business Day* means any day, other than a Saturday, Sunday or Legal Holiday.

1.15 *Case Interest Rate* means the federal judgment rate provided in 28 U.S.C. § 1961 in effect on the Petition Date.

1.16 *Cash* means legal tender of the United States of America and equivalents thereof, which may be conveyed by check or wire transfer.

1.17 *Causes of Action* means any and all claims, actions, proceedings, causes of action, suits, accounts, controversies, agreements, promises, rights of action, rights to legal remedies, rights to equitable remedies, rights to payment and Claims (as defined in Bankruptcy Code section 101(5)), whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise, that any Debtor and/or Estate may hold against any Person.

1.18 *Chapter 11 Case(s)* means (a) when used with reference to a particular Debtor, the case under Chapter 11 of the Bankruptcy Code commenced by such Debtor in the Bankruptcy Court and (b) when used with reference to all Debtors, the cases under Chapter 11 of the Bankruptcy Code commenced by the Debtors in the Bankruptcy Court.

1.19 *Claim* means a “claim” as defined in Bankruptcy Code section 101(5) or Administrative Claim.

1.20 *Claimholder* means the Holder of a Claim.

1.21 *Claims Agent* means Kurtzman Carson Consultants LLC.

1.22 *Claims Objection Deadline* means the last day for Filing objections to Claims, other than Administrative Claims and Professional Fee Claims, which day shall be (a) the later of (i) 270 days after the Effective Date or (ii) 180 days after the Filing of a Proof of Claim for, or request for payment of, such Claim or (b) such other date as the Bankruptcy Court may order. The Filing of a motion to extend the Claims Objection Deadline shall automatically extend the Claims Objection Deadline until a Final Order is entered on such motion. In the event that such motion to extend the Claims Objection Deadline is denied, the Claims Objection Deadline shall be the later of the then-

current Claims Objection Deadline (as previously extended, if applicable) or 30 days after the Bankruptcy Court's entry of an order denying the motion to extend the Claims Objection Deadline.

1.23 Class means a category of Holders of Claims or Interests, as described in Article III hereof.

1.24 Clothing means Syms Clothing, Inc.

1.25 Collateral means any property or interest in property of a Debtor's Estate subject to a right of setoff or Lien to secure the payment or performance of a Claim, which right of setoff or Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

1.26 Confirmation means entry by the Bankruptcy Court of the Confirmation Order.

1.27 Confirmation Date means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the Bankruptcy Court docket in the jointly administered Chapter 11 Cases.

1.28 Confirmation Hearing means the hearing held by the Bankruptcy Court to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

1.29 Confirmation Objection Deadline means the last day for Filing objections to confirmation of the Plan.

1.30 Confirmation Order means the order entered by the Bankruptcy Court confirming the Plan under Bankruptcy Code section 1129.

1.31 Consummation or Consummate means the occurrence of or to achieve the Effective Date.

1.32 Convenience Claim means any Syms General Unsecured Claim, Filene's General Unsecured (Short-Term) Claim or Filene's General Unsecured (Long-Term) Claim (i) that is Allowed in an amount equal to or less than \$10,000 or (ii) in an amount that is greater than \$10,000, but which the Holder thereof elects on its Ballot to be Allowed in an amount no greater than \$10,000 and to be treated as a Convenience Claim in accordance with the Plan.

1.33 Creditor means any Person who holds a Claim against one or more of the Debtors.

1.34 Creditors' Committee means the Official Committee of Unsecured Creditors appointed by the United States Trustee in the Chapter 11 Cases pursuant to Bankruptcy Code section 1102.

1.35 Cure means the distribution of Cash, or such other property as may be agreed upon by the parties or ordered by the Bankruptcy Court, with respect to the assumption or assumption and assignment of an executory contract or unexpired lease, pursuant to Bankruptcy Code section 365(b), in an amount equal to all unpaid monetary obligations, without interest, or such other

amount as may be agreed upon by the parties, under such executory contract or unexpired lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable bankruptcy law.

1.36 Debtor(s) means any of Syms, Filenes, Advertising, or Clothing.

1.37 Disallowed Claim means a Claim, or any portion thereof, that (a) has been disallowed by a Final Order, (b) is listed in the Schedules at zero or as contingent, disputed or unliquidated and as to which no Proof of Claim has been filed by the applicable bar date or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law, or (c) is not listed in the Schedules, and as to which (i) no Proof of Claim has been filed by the applicable bar date or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law, or (ii) no Administrative Claim has been filed by the Administrative Claims Bar Date or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law.

1.38 Disclosure Statement means the disclosure statement (including all exhibits and schedules thereto) relating to this Plan distributed contemporaneously herewith in accordance with Bankruptcy Code sections 1125 and 1126(b) and Bankruptcy Rule 3018.

1.39 Disputed Claim means a Claim, or any portion thereof, that has not been Allowed pursuant to the Plan or a Final Order, and:

(a) if a Claim has been filed, or deemed to have been filed, by the applicable bar date (i) a Claim for which a corresponding Claim has been listed on the Schedules as unliquidated, contingent or disputed; (ii) a Claim for which a corresponding Claim has been listed on the Schedules as other than unliquidated, contingent or disputed, but the amount of such Claim or identity of the applicable Debtor as asserted in the Claim varies from the amount of such Claim or identity of the applicable Debtor as listed in the Schedules; or (iii) a Claim as to which any party in interest has timely filed an objection or request for estimation in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules and any orders of the Bankruptcy Court, or which is otherwise disputed by a Debtor in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order;

(b) if an Administrative Claim has been filed or deemed to have been filed by the Administrative Claims Bar Date, any such Claim as to which any party in interest has timely filed an objection or request for estimation in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules, and any orders of the Bankruptcy Court, or which is otherwise disputed by a Debtor in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order;

(c) for which a claim was required to be filed by order of the Bankruptcy Court, but as to which a Claim was not timely or properly filed; or

(d) that is disputed in accordance with the provisions of this Plan.

1.40 Disputed . . . Claim means a Disputed Claim of the type described.

1.41 Distribution means any distribution pursuant to the Plan to the Holders of Allowed Claims and Allowed Interests.

1.42 *Distribution Date* means the date upon which a Distribution is made in accordance with the Plan to Holders of Allowed Claims or Allowed Interests entitled to receive Distributions under the Plan.

1.43 *Distribution Record Date* means the record date for purposes of making Distributions under the Plan on account of Allowed Claims or Allowed Interests, which date shall be the Confirmation Date or such other date designated in the Confirmation Order.

1.44 *Effective Date* means the Business Day this Plan becomes effective as provided in Article IX.B hereof.

1.45 *Entity* means a person, estate, trust, governmental unit and United States Trustee, within the meaning of Bankruptcy Code section 101(15).

1.46 *Equity Committee* means the Official Committee of Syms Corp. Equity Security holders.

1.47 *Estate(s)* means, individually, the estate of Syms, Filene's, Clothing or Advertising and, collectively, the estates of all of the Debtors created under Bankruptcy Code section 541.

1.48 *Exhibit* means an exhibit annexed to either this Plan or as an appendix to the Disclosure Statement.

1.49 *Exhibit Filing Date* means the date on which Exhibits to the Plan or the Disclosure Statement shall be filed with the Bankruptcy Court, which date shall be at least five (5) business days prior to the Voting Deadline or such later date as may be approved by the Bankruptcy Court without further notice to parties-in-interest.

1.50 *Exit Financing* means any financing to be obtained by Reorganized Syms that may be required to fund payment of Senior Claims on or in connection with the occurrence of the Effective Date.

1.51 *Face Amount* means (a) when used in reference to a Disputed or Disallowed Claim, the full stated amount claimed by the Claimholder in any proof of claim timely filed with the Bankruptcy Court or otherwise deemed timely filed by any Final Order of the Bankruptcy Court or other applicable bankruptcy law, and (b) when used in reference to an Allowed Claim, the Allowed amount of such Claim.

1.52 *File, Filed or Filing* means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

1.53 *Filene's* means Filene's Basement, LLC.

1.54 *Filene's General Unsecured (Long-Term) Claim* means a general unsecured Claim against Filene's on account of rejection of an executory contract or unexpired lease pursuant to sections 365 and 502 of the Bankruptcy Code to the extent not guaranteed by Syms, and that, in all cases, is not an Administrative Claim, Convenience Claim, Intercompany Claim, Non-Tax Priority Claim, Priority Tax Claim, Secured Claim, Syms General Unsecured Claim, Filene's General Unsecured (Short-Term) Claim, or Superpriority Intercompany Claim.

1.55 *Filene's General Unsecured (Short-Term) Claim* means a general unsecured Claim against Filene's, including any Claims of a vendor on account of goods or services provided prior to the Petition Date or of an employee for severance pay that is not guaranteed by Syms, and that is not an Administrative Claim, Convenience Claim, Intercompany Claim, Non-Tax Priority Claim, Priority Tax Claim, Secured Claim, Syms General Unsecured Claim, Filene's General Unsecured (Long-Term) Claim, or Superpriority Intercompany Claim.

1.57 *Filene's Segregated Fund* means that certain segregated account created as of the Effective Date and administered by Reorganized Syms which shall contain all Cash of the Filene's estate as of the Effective Date and from which distributions shall be made to Holders of Allowed Claims against Filene's in accordance with the terms of the Plan.

1.58 *Final Fee Application* means a final request for payment of a Professional Fee Claim.

1.59 *Final Order* means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in any Chapter 11 Case, the operation or effect of which has not been stayed, reversed, or amended and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending.

1.60 *Holder* means an entity holding a Claim or Interest.

1.61 *Impaired* means, when used in reference to a Claim, Interest, or Class, a Claim, Interest, or a Class that is impaired within the meaning of Bankruptcy Code section 1124.

1.62 *Indemnification Obligation* means any obligation of any of the Debtors to indemnify, reimburse, or provide contribution to any present or former officer, director, or employee, or any present or former Professionals, advisors, or representatives of the Debtors, pursuant to by-laws, articles of incorporation, contract, or otherwise.

1.63 *Initial Administrative Claims Bar Date Order* means the order of the Bankruptcy Court, dated January 18, 2012, setting the initial administrative claims bar date.

1.64 *Initial Distribution Date* means the Effective Date or as soon thereafter as may be reasonably practicable, but in any event no later than the fifth (5th) Business Day following the Effective Date.

1.65 *Insured Claim* means any Claim or portion of a Claim (other than a Workers Compensation Claim) that is insured under the Debtors' insurance policies. Insured Claims constitute Disputed Claims, and the Plan shall constitute an objection thereto for all purposes, except to the extent that an Insured Claim becomes an Allowed Claim in accordance with Section 1.6 hereof.

1.66 *Insured Covered Amount* has the meaning ascribed to such term in Section IV.H. of the Plan.

1.67 *Intercompany Claim* means any Claim held by a Debtor against another Debtor, other than a Superpriority Intercompany Claim, including, without limitation: (a) any account reflecting intercompany book entries by a Debtor with respect to another Debtor, (b) any Claim

not reflected in such book entries that is held by a Debtor against another Debtor, (c) any derivative Claim asserted by or on behalf of one Debtor against another Debtor and (d) any Claim asserted by one Debtor against another as a result of a payment made by the claimant Debtor pursuant to a guarantee or similar instrument.

1.68 Interest means the legal, equitable, contractual, and other rights of any Person with respect to any capital stock or other ownership interest in any Debtor, whether or not transferable, and any option, warrant or right to purchase, sell, or subscribe for an ownership interest or other equity security in any Debtor.

1.69 KEIP Order means the Order Under Bankruptcy Code Sections 105, 363(b), And 503(c)(3) Approving A Limited, Wind-Down Employee Retention Plan, dated January 17, 2012 at docket no. 657.

1.70 Legal Holiday has the meaning set forth in Bankruptcy Rule 9006(a).

1.71 Lien shall mean any lien, security interest, pledge, title retention agreement, encumbrance, charge, mortgage, or hypothecation to secure payment of a debt or performance of an obligation, other than, in the case of securities and any other equity ownership interests, any restrictions imposed by applicable United States or foreign securities laws.

1.72 Local Rules means the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware.

1.73 Majority Shareholder means collectively Ms. Marcy Syms and all Entities controlled by her that together own and have the power to vote approximately 54.7% of Interests in Syms.

1.74 Merger means the merger of Filene's, Advertising, and Clothing into Syms in accordance with Article VI.A.3. hereof.

1.75 Net Proceeds means the proceeds of sale or assignment of Syms Owned Real Estate, net of the costs and expenses of such transactions (including taxes, fees, tenant improvement costs, leasing and brokerage commissions, and professional fees) and the carrying costs of any particular property following the Effective Date through the sale of such property.

1.76 Non-Tax Priority Claim means a Claim entitled to priority in payment pursuant to Bankruptcy Code section 507(a), other than an Administrative Claim or Priority Tax Claim.

1.77 Person has the meaning set forth in Bankruptcy Code section 101(41).

1.78 Petition Date means November 2, 2011, the date on which the Debtors filed their petitions for relief commencing the Chapter 11 Cases.

1.79 Plan means this joint plan of reorganization and all Exhibits annexed to the Plan, referenced in the Plan or included in the Plan Supplement, as the same may be

altered, amended, modified or supplemented from time to time in accordance with the Bankruptcy Code and the Bankruptcy Rules.

1.80 Plan Proponents means the Debtors and the Equity Committee, subject to the right of the Equity Committee to withdraw as a Plan Proponent.

1.81 Plan Settlement means the settlement set forth in Article II hereof and that is implemented and effectuated by the Plan.

1.82 Plan Supplement means the supplement to the Plan that the Debtors will file with the Bankruptcy Court by the Exhibit Filing Date.

1.83 Prepetition Secured Loan means that certain credit facility memorialized by the Credit Agreement (as amended) dated as of August 27, 2009 between Syms Corp. and Filene's as borrowers and Bank of America, N.A. as Administrative and Collateral Agent.

1.84 Priority Tax Claim means a Claim of a governmental unit of the kind specified in Bankruptcy Code sections 502(i), 507(a)(8) or 1129(a)(9)(D).

1.85 Professional means (a) any professional employed in these Chapter 11 Cases pursuant to Bankruptcy Code sections 327, 328, or 1103 or otherwise, and (b) any professional or other entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to Bankruptcy Code section 503(b)(4).

1.86 Professional Fee Claim means a Claim of a Professional for compensation for services rendered or reimbursement of costs, expenses, or other charges incurred after the Petition Date and prior to and including the Effective Date.

1.87 Professional Fee Estimate means (i) with respect to any Professional, a good faith estimate of such Professional's accrued unpaid Professional Fee Claims to be provided by each Professional in writing to the Debtors prior to the commencement of the Confirmation Hearing, or, in the absence of such a writing, to be prepared by the Debtors and (ii) collectively, the sum of all individual Professional Fee Estimates.

1.88 Professional Fee Reserve means the reserve of Cash established pursuant to Article VI.E.1. hereof for Holders of Allowed Professional Fee Claims to the extent that such Allowed Professional Fee Claims have not otherwise been paid in full (or in the manner agreed upon between the Holder of each such Allowed Professional Fee Claim and the Debtors) prior to the Effective Date, in an amount equal to the Professional Fee Claim Estimate.

1.89 Proof of Claim means a proof of claim, including, but not limited to, any Administrative Claim, filed with the Bankruptcy Court in connection with the Chapter 11 Cases pursuant to section 501 of the Bankruptcy Code.

1.90 Pro Rata means a Holder's proportionate share such that, at any time, (i) in the case of Claims, the proportion that the Face Amount of the Allowed Claims held by such Holder in a particular Class bears to the aggregate Face Amount of all Allowed Claims in such Class, and (ii) in the case of Interests, the proportion that the number of Interests held by such Holder in a particular Class bears to the aggregate number of all Interests in such Class.

1.91 Rejection Bar Date means the deadline by which any Entity whose Claims arise out of the rejection of an executory contract or unexpired lease (pursuant to Bankruptcy Code section 365) after the Petition Date, must File a Proof of Claim, which deadline shall be the later of (i) thirty (30) days after the effective date of rejection as provided by an order of the Bankruptcy Court, pursuant to Bankruptcy Code section 365, authorizing the rejection of such contract or lease, (ii) any date set by order of the Court, (iii) the general bar date, and (iv) thirty (30) days after the Effective Date.

1.92 Released Parties has the meaning ascribed to such term in Section XI.E of the Plan.

1.93 Reorganized Syms means Syms on and after the Effective Date.

1.95 Schedules means the schedules of assets and liabilities, the list of Holders of Interests, and the statements of financial affairs filed by the Debtors pursuant to Bankruptcy Code section 521 and the Bankruptcy Rules, as such schedules have been or may be further modified, amended or supplemented in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

1.96 Secured Claim means a Claim that is secured by a Lien which is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law, on property in which an Estate has an interest, or a Claim that is subject to setoff under section 553 of the Bankruptcy Code to the extent of the value of the Holder's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable as determined by a Final Order pursuant to section 506(a) of the Bankruptcy Code, or in the case of setoff, pursuant to section 553 of the Bankruptcy Code, or in either case as otherwise agreed upon in writing by the Debtors and the Holder of such Claim.

1.97 Senior Claim means any Administrative Claim, Convenience Claim, Non-Tax Priority Claim, Priority Tax Claim or Secured Claim against any of the Debtors.

1.98 Share Purchase Transaction means a transaction or transactions in connection with consummation of the Plan whereby all or substantially all of the Majority Shareholder's Interests in Syms are acquired.

1.99 Substantial Contribution Claim means a Claim under Bankruptcy Code sections 503(b)(3), (b)(4), or (b)(5) for compensation or reimbursement of expenses incurred in making a substantial contribution in the Chapter 11 Cases.

1.100 Superpriority Intercompany Claim means an Allowed Intercompany Claim arising from and after the Petition Date, with priority as an administrative expense of the kind specified in section 503(b) and super-priority of the kind specified in section 507(b) of the Bankruptcy Code, pursuant to the Amended Order Pursuant To 11 U.S.C. §§ 105(a) And 363, Fed. R. Bankr. P. 6003 And Del. Bankr. L.R. 2015-2 (I) Authorizing Continued Maintenance Of Existing Bank Accounts, (II) Authorizing Continued Use Of Existing Business Forms And (III) Authorizing Continued Use Of Existing Cash Management System With Certain Modifications, dated December 28, 2011.

1.101 Syms means Syms Corp.

1.102 Syms Assets means all assets of the Syms estate as of the Effective Date including, but not limited to, Syms Cash and Syms Owned Real Estate.

1.103 *Syms General Unsecured Claim* means a Claim against Syms, including a Claim on account of a guarantee provided by Syms, that is not an Administrative Claim, Convenience Claim, Intercompany Claim, Non-Tax Priority Claim, Priority Tax Claim, Secured Claim, or Superpriority Intercompany Claim.

1.104 *Syms Owned Real Estate* means all real property (including leasehold interests) owned by Syms as of the Effective Date.

1.105 *Unimpaired* means a Claim, Class, or Interest that is not impaired within the meaning of Bankruptcy Code section 1124.

1.106 *U.S. Trustee* means the Office of the United States Trustee for the District of Delaware.

1.107 *Voting Deadline* means the date and time, as fixed by an order of the Bankruptcy Court and set forth in the Disclosure Statement, by which all Ballots to accept or reject the Plan must be received in order to be counted.

1.108 *Voting Record Date* means the date of entry of any order approving the Disclosure Statement.

1.109 *Workers Compensation Claim* means a Claim held by a current or former employee of the Debtors for workers' compensation insurance coverage under the workers' compensation laws applicable in the particular state in which the employee is or was employed by the Debtors.

C. Rules of Interpretation

For purposes of the Plan, (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions, (b) any reference in the Plan to an existing document or exhibit Filed or to be Filed means such document or exhibit as it may have been or may be amended, modified, or supplemented, (c) unless otherwise specified, all references in the Plan to sections, articles, Schedules and Exhibits are references to sections, articles, Schedules and Exhibits of or to the Plan, (d) the words "herein" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan, (e) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan, and (f) to the extent not modified herein, the rules of construction set forth in Bankruptcy Code section 102 and in the Bankruptcy Rules shall apply.

D. Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

E. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) and except as otherwise provided herein or therein, the laws of (i) the State of Delaware shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan and (ii) the laws of the state of incorporation of

each Debtor, as may be modified by the Plan, shall govern corporate governance matters with respect to such Debtor, in either case without giving effect to the principles of conflicts of law thereof.

F. Exhibits

All Exhibits are incorporated into and are a part of this Plan as if set forth in full herein, and, to the extent not annexed hereto, such Exhibits shall be filed in one or more Plan Supplements with the Bankruptcy Court on or before the Exhibit Filing Date. After the Exhibit Filing Date, copies of Exhibits can be obtained upon written request to Skadden, Arps, Slate, Meagher & Flom LLP, One Rodney Square, P.O. Box 636, Wilmington, Delaware, 19899 (Attn: Mark S. Chehi, Esq.), counsel to the Debtors or by downloading such Exhibits from the Bankruptcy Court's website at <http://www.deb.uscourts.gov> (registration required) or the Claims Agent's website at www.kccllc.net. To the extent any Exhibit is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-Exhibit portion of the Plan shall control.

II. PLAN SETTLEMENT

The Plan implements a comprehensive compromise and settlement (the "Plan Settlement") of (i) the treatment of Intercompany Claims, Superpriority Intercompany Claims, Claims against Filene's, Claims against Syms, and the Claims and Interests asserted by other parties in interest, (ii) the disposition of the property of the Debtors' Estates, (iii) any possible claims or causes of action that the Debtors' Estates should be substantively consolidated, (iv) the disposition of any claims or causes of action of the Debtors or their Estates and (v) any claims or causes of action between and among the Equity Committee and the members of the Equity Committee and their affiliates on the one hand, and the Majority Shareholder and current and former officers, directors, managers and professionals of the Debtors, on the other. Pursuant to Bankruptcy Rule 9019 and section 1123(b)(3) of the Bankruptcy Code and consistent with section 1129 of the Bankruptcy Code, the Plan shall constitute a motion for approval of, and the Confirmation Order shall authorize and constitute Bankruptcy Court approval of, the Plan Settlement.

Pursuant to Bankruptcy Rule 9019 and in consideration for the Distributions and other benefits provided under the Plan, the provisions of the Plan, including the Share Purchase Transaction and the releases set forth in the Plan, shall constitute a good faith compromise and settlement of all Claims or controversies relating to the rights that a Holder of a Claim or Interest may have with respect to any Claim, Interest or any Distribution to be made pursuant to the Plan on account of any Allowed Claim or Interest or on account of any Intercompany Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such Claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Reorganized Debtors and their respective property and Claim and Interest Holders and is fair, equitable and reasonable.

On the Effective Date, pursuant to Bankruptcy Rule 9019 and section 1123(b) of the Bankruptcy Code, in full and final satisfaction, settlement and release of all Intercompany Claims, Superpriority Intercompany Claims, any possible claims or causes of action that the Debtors' Estates should be substantively consolidated, and for good and valuable consideration, including the treatment specified in the Plan for Claims against Filene's and the Claims and Interests asserted by other parties in interest, the Plan Settlement shall be effectuated in accordance with the following terms if the Plan Settlement is approved by the Bankruptcy Court:

1. The Holders of Intercompany Claims shall not receive or retain any property under the Plan on account of such Claims. On the Effective Date and immediately prior to the Merger,

Intercompany Claims shall be deemed to offset and all Intercompany Claims remaining after offset shall be deemed cancelled and extinguished.

2. The Holders of Superpriority Intercompany Claims shall not receive or retain any property under the Plan on account of such Claims. On the Effective Date and immediately prior to the Merger, Superpriority Intercompany Claims shall be deemed to offset and all Superpriority Intercompany Claims remaining after offset shall be deemed cancelled and extinguished.

3. On the Effective Date, all property of each of the Debtors' Estates shall vest in Reorganized Syms. Filene's Cash shall be transferred to the Filene's Segregated Fund to be used by Reorganized Syms to make distributions to Holders of Allowed Claims against Filene's in accordance with the treatment provisions set forth herein.

4. Reorganized Syms shall assume any and all Indemnification Obligations of the Debtors pursuant to Article VIII.B. of the Plan; *provided, however*, that such assumption shall not cause the assumption of any severance obligation by any Debtor or Reorganized Syms not previously approved by the Bankruptcy Court pursuant to the KEIP Order.

5. The treatment of the Claims against and Interests in the Debtors shall be as specified in the Plan.

6. On the Effective Date, all actual or potential Claims and Causes of Action asserting that the Debtors' Estates or any of them should be substantively consolidated shall be deemed settled, released, waived and forever enjoined.

7. On the Effective Date, the Debtors and their Estates shall release the Released Parties in accordance with Section XI.E of the Plan.

8. On the Effective Date, all actual or potential Claims and Causes of Action between or among the Equity Committee and the members of the Equity Committee and their affiliates on the one hand, and the Majority Shareholder and current and former officers, directors, managers and professionals of the Debtors, on the other, shall be deemed settled, released, waived and forever enjoined.

9. On the Effective Date, the directors serving on the board of Syms immediately prior to the Effective Date shall retain reasonable access to the books and records of the Debtors following the Effective Date with respect to matters pertaining to the time period before the Effective Date.

III. CLASSIFICATION OF CLAIMS AND INTERESTS

A. Separate Plans

This Plan, while prepared jointly, constitutes two separate plans, one for Syms, and one for Filene's. The Debtors do not believe that Advertising or Clothing have any assets or liabilities. Accordingly, the Debtors have not proposed a plan for either of these Debtors other than that they shall be merged into Reorganized Syms as provided in the Plan. Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of certain unclassified Claims, along with Classes of Claims against and Interests in Syms and Filene's. A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving distributions pursuant to this Plan only to

the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date.

B. Unclassified Claims Against Syms

1. Administrative Claims
2. Superpriority Intercompany Claims
3. Priority Tax Claims

C. Classified Claims Against and Interests in Syms

1. Class 1: Secured Claims (Unimpaired). Syms Class 1 consists of separate sub-Classes for all Secured Claims against Syms.
2. Class 2: Non-Tax Priority Claims (Unimpaired). Syms Class 2 consists of Non-Tax Priority Claims against Syms.
3. Class 3: Convenience Claims (Unimpaired). Syms Class 3 consists of Convenience Claims against Syms
4. Class 4: General Unsecured Claims (Impaired). Syms Class 4 consists of Syms General Unsecured Claims.
5. Class 5: Intercompany Claims (Unimpaired). Syms Class 5 consists of Syms Intercompany Claims.
6. Class 6: Interests in Syms (Impaired). Syms Class 6 consists of all Interests in Syms.

D. Unclassified Claims Against Filene's

1. Administrative Claims
2. Superpriority Intercompany Claims
3. Priority Tax Claims

E. Classified Claims Against and Interests in Filene's

1. Class 1: Secured Claims (Unimpaired). Filene's Class 1 consists of separate sub-Classes for all Secured Claims against Filene's.
2. Class 2: Non-Tax Priority Claims (Unimpaired). Filene's Class 2 consists of Non-Tax Priority Claims against Filene's.
3. Class 3: Convenience Claims (Unimpaired). Filene's Class 3 consists of Convenience Claims against Filene's.
4. Class 4: Filene's General Unsecured (Short-Term) Claims (Impaired). Filene's Class 4 consists of Filene's General Unsecured (Short-Term) Claims.

5. Class 5: Filene's General Unsecured (Long-Term) Claims (Impaired). Filene's Class 5 consists of Filene's General Unsecured (Long-Term) Claims.
6. Class 6: Intercompany Claims (Impaired). Filene's Class 6 consists of Filene's Intercompany Claims.
7. Class 7: Interests in Filene's (Impaired). Filene's Class 7 consists of Interests in Filene's.

IV. TREATMENT OF CLAIMS AND INTERESTS

A. Unclassified Claims Against Syms

1. Administrative Claims

On, or as soon as reasonably practicable after the later of, (i) the Initial Distribution Date or (ii) the Distribution Date immediately following the date on which an Administrative Claim becomes an Allowed Administrative Claim, each Holder of such Allowed Administrative Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Administrative Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Administrative Claim, payable from the Syms Assets or (b) such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by Syms in the ordinary course of business during the Chapter 11 Cases may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto.

2. Superpriority Intercompany Claims

Pursuant to the Plan Settlement, the Holders of Superpriority Intercompany Claims shall not receive or retain any property under the Plan on account of such Claims. On the Effective Date, all Superpriority Intercompany Claims shall be deemed offset, cancelled and extinguished.

3. Priority Tax Claims

On, or as soon as reasonably practicable after the later of, (i) the Initial Distribution Date or (ii) the Distribution Date immediately following the date on which a Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Tax Claim, payable from the Syms Assets, or (b) such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing.

B. Unclassified Claims Against Filene's

1. Administrative Claims

On, or as soon as reasonably practicable after the later of, (i) the Initial Distribution Date or (ii) the Distribution Date immediately following the date on which an Administrative Claim becomes an Allowed Administrative Claim, each Holder of such Allowed Administrative Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Administrative Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Administrative Claim, payable

from the Filene's Segregated Fund, or (b) such other less favorable treatment as to which such Holder and Filene's shall have agreed upon in writing; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by Filene's in the ordinary course of business during the Chapter 11 Cases may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto.

2. Superpriority Intercompany Claims

Pursuant to the Plan Settlement, the Holders of Superpriority Intercompany Claims shall not receive or retain any property under the Plan on account of such Claims. On the Effective Date, all Superpriority Intercompany Claims shall be deemed offset, cancelled and extinguished.

3. Priority Tax Claims

On, or as soon as reasonably practicable after the later of, (i) the Initial Distribution Date or (ii) the Distribution Date immediately following the date on which a Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Tax Claim, payable from the Filene's Segregated Fund, or (b) such other less favorable treatment as to which such Holder and Filene's shall have agreed upon in writing.

C. Classified Claims Against and Interests In Syms

1. Syms Class 1: Secured Claims (Unimpaired)

Syms Class 1 consists of separate sub-Classes for all Secured Claims against Syms. On, or as soon as reasonably practicable after, the later of (a) the Initial Distribution Date, or (b) the Distribution Date immediately following the date on which a Secured Claim becomes an Allowed Secured Claim, the Holder of such Allowed Secured Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for, such Allowed Secured Claim, (i) Cash equal to the value of its Allowed Secured Claim, (ii) the Collateral securing the Secured Claim, or (iii) such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing. Any Holder of a Secured Claim shall retain its right of setoff or Lien in the Collateral or the proceeds of the Collateral (to the extent that such Collateral is sold (or deemed abandoned) by Syms free and clear of such right of setoff or Lien) to the same extent and with the same priority as such right of setoff or Lien as of the Petition Date until such time as (A) the Holder of such Secured Claim (i) has been paid Cash equal to the value of its Allowed Secured Claim, (ii) has received a return of the Collateral securing the Secured Claim, or (iii) has been afforded such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing; or (B) such purported right of setoff or Lien has been determined by an order of the Bankruptcy Court to be invalid or otherwise avoidable.

2. Syms Class 2: Non-Tax Priority Claims (Unimpaired)

Syms Class 2 consists of Non-Tax Priority Claims against Syms. On, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date, or (ii) the Distribution Date immediately following the date on which a Non-Tax Priority Claim becomes an Allowed Non-Tax Priority Claim, each Holder of an Allowed Non-Tax Priority Claim shall be entitled to receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Non-Tax Priority Claim, Cash payable from the Syms Assets in an amount equal to its Allowed Non-Tax Priority Claim plus interest at the Case Interest Rate.

3. Syms Class 3: Convenience Claims (Unimpaired)

Syms Class 3 consists of Convenience Claims against Syms. On, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date, or (ii) the Distribution Date immediately following the date on which a Convenience Claim becomes an Allowed Convenience Claim, each Holder of such Allowed Convenience Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for, such Allowed Convenience Claim, Cash payable from the Syms Assets in an amount equal to its Allowed Convenience Claim.

4. Syms Class 4: Syms General Unsecured Claims (Impaired)

Syms Class 4 consists of Syms General Unsecured Claims. After all Allowed Senior Claims have been paid in full or, to the extent not paid in full, funds sufficient to satisfy such Claims have been placed in a segregated reserve, and as and to the extent practicable as Net Proceeds become available, each Holder of an Allowed Syms General Unsecured Claim shall receive, on the later of (a) the Initial Distribution Date or (b) the Distribution Date(s) immediately following the date on which such Holder's Syms General Unsecured Claim becomes an Allowed Syms General Unsecured Claim, in full satisfaction, settlement, release, and discharge of and in exchange for its Allowed Syms General Unsecured Claim (1) one or more cash payments aggregating not more than 100% of the Allowed amount of its Allowed Syms General Unsecured Claim (without interest), or (2) such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing.

If on the [4th] anniversary of the Effective Date each Holder of an Allowed Syms General Unsecured Claim has not received payment in full of 100% of the Allowed amount of its Claim, on that date three members of the board of directors of Reorganized Syms shall be replaced immediately by three persons designated by the Holders of Allowed Syms General Unsecured Claims, Allowed Filene's General Unsecured (Short-Term) Claims and Allowed Filene's General Unsecured (Long-Term) Claims that have not received payment in full of the amounts they are entitled to receive under this Article IV of the Plan.

5. Syms Class 5: Syms Intercompany Claims (Impaired)

Syms Class 5 consists of Syms Intercompany Claims. Pursuant to the Plan Settlement, the Holders of Syms Intercompany Claims shall not receive or retain any property under the Plan on account of such Claims. On the Effective Date, all Syms Intercompany Claims shall be deemed offset, cancelled and extinguished.

6. Syms Class 6: Interests in Syms (Impaired)

Syms Class 6 consists of all Interests in Syms. All Interests in Syms are Allowed Interests and each Holder of an Interest in Syms shall retain its Interest, subject to the Share Purchase Transaction.

D. Classified Claims Against And Interests In Filene's

1. Filene's Class 1: Secured Claims (Unimpaired)

Filene's Class 1 consists of separate sub-Classes for all Secured Claims against Filene's. On, or as soon as reasonably practicable after, the later of (a) the Initial Distribution Date, or (b) the Distribution Date immediately following the date on which a Secured Claim becomes an Allowed Secured Claim, the Holder of such Allowed Secured Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for, such Allowed Secured Claim, (i) Cash equal to the value of its Allowed

Secured Claim, (ii) the Collateral securing the Secured Claim, or (iii) such other less favorable treatment as to which such Holder and the Debtors shall have agreed upon in writing. Any Holder of a Secured Claim shall retain its right of setoff or Lien in the Collateral or the proceeds of the Collateral (to the extent that such Collateral is sold (or deemed abandoned) by the Debtors free and clear of such right of setoff or Lien) to the same extent and with the same priority as such right of setoff or Lien as of the Petition Date until such time as (A) the Holder of such Secured Claim (i) has been paid Cash equal to the value of its Allowed Secured Claim, (ii) has received a return of the Collateral securing the Secured Claim, or (iii) has been afforded such other less favorable treatment as to which such Holder and the Debtors shall have agreed upon in writing; or (B) such purported right of setoff or Lien has been determined by an order of the Bankruptcy Court to be invalid or otherwise avoidable.

2. Filene's Class 2: Non-Tax Priority Claims (Unimpaired)

Filene's Class 2 consists of Non-Tax Priority Claims against Filene's. On, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date, or (ii) the Distribution Date immediately following the date on which a Non-Tax Priority Claim becomes an Allowed Non-Tax Priority Claim, each Holder of an Allowed Non-Tax Priority Claim shall be entitled to receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Non-Tax Priority Claim, Cash payable from the Filene's Segregated Fund in an amount equal to its Allowed Non-Tax Priority Claim plus interest at the Case Interest Rate.

3. Filene's Class 3: Convenience Claims (Unimpaired)

Filene's Class 3 consists of Convenience Claims against Filene's. On, or as soon as reasonably practicable after, the later of (i) the Initial Distribution Date, or (ii) the Distribution Date immediately following the date on which a Convenience Claim becomes an Allowed Convenience Claim, the Holder of such Allowed Convenience Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for, such Allowed Convenience Claim, Cash equal to the amount of its Allowed Convenience Claim, payable from the Filene's Segregated Fund and, if such fund is exhausted, from the Syms Assets.

4. Filene's Class 4: Filene's General Unsecured (Short-Term) Claims (Impaired)

Filene's Class 4 consists of Filene's General Unsecured (Short-Term) Claims. After all Allowed Senior Claims and Allowed Syms Class 3 General Unsecured Claims have been paid in full or, to the extent not paid in full, funds sufficient to satisfy such Claims have been placed in a segregated reserve, and as and to the extent practicable as Net Proceeds become available, each Holder of an Allowed Filene's General Unsecured (Short-Term) Claim shall receive, on the later of (a) the Initial Distribution Date or (b) the Distribution Date(s) immediately following the date on which such Holder's Filene's General Unsecured (Short-Term) Claim becomes an Allowed Filene's General Unsecured (Short-Term) Claim, in full satisfaction, settlement, release, and discharge of and in exchange for its Allowed Filene's General Unsecured (Short-Term) Claim (1) payments from (x) from the Filene's Segregated Fund to the extent funds therein are then available for pro rata distribution to Holders of Allowed Filene's General Unsecured (Short-Term) Claims and (y) one or more cash payments from Reorganized Syms aggregating not more than 100% of the Allowed amount of its Allowed Filene's General Unsecured (Short-Term) Claim (without interest), or (2) such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing.

If on the [4th] anniversary of the Effective Date each Holder of an Allowed Filene's General Unsecured (Short-Term) Claim has not received payment in full of 100% of the Allowed amount of its Claim, on that date three members of the board of directors of Reorganized Syms shall be replaced

immediately by three persons designated by the Holders of Allowed Syms General Unsecured Claims, Allowed Filene's General Unsecured (Short-Term) Claims and Allowed Filene's General Unsecured (Long-Term) Claims that have not then received payment in full of the amounts they are entitled to receive under this Article IV of the Plan.

5. Filene's Class 5: Filene's General Unsecured (Long-Term) Claims (Impaired)

Filene's Class 5 consists of Filene's General Unsecured (Long-Term) Claims. After all Allowed Senior Claims, Allowed Syms Class 3 General Unsecured Claims, and Allowed Filene's Class 4 General Unsecured (Short-Term) Claims have been paid in full or, to the extent not paid in full, funds sufficient to satisfy such Claims have been placed in a segregated reserve, and as and to the extent practicable as Net Proceeds become available, each Holder of an Allowed Filene's General Unsecured (Long-Term) Claim shall receive, on the later of (a) the Initial Distribution Date or (b) the Distribution Date(s) immediately following the date on which such Holder's Filene's General Unsecured (Long-Term) Claim becomes an Allowed Filene's General Unsecured (Short-Term) Claim, in full satisfaction, settlement, release, and discharge of and in exchange for its Allowed Filene's General Unsecured (Long-Term) Claim (1) one or more cash payments from Reorganized Syms aggregating not more than [75%] of the Allowed amount of its Allowed Filene's General Unsecured (Long-Term) Claim (without interest) from 75% of the Net Proceeds of Syms Owned Real Estate available following the payment of (or reserving for) all Allowed Senior Claims, Allowed Syms Class 3 General Unsecured Claims, and Allowed Filene's Class 4 General Unsecured (Short-Term) Claims, or (2) such other less favorable treatment as to which such Holder and Syms shall have agreed upon in writing.

If on the [4th] anniversary of the Effective Date each Holder of an Allowed Filene's General Unsecured (Long-Term) Claim has not received payment in full of [75%] of the Allowed amount of its Claim, on that date three members of the board of directors of Reorganized Syms shall be replaced immediately by three persons designated by the Holders of Allowed Syms General Unsecured Claims, Allowed Filene's General Unsecured (Short-Term) Claims and Allowed Filene's General Unsecured (Long-Term) Claims that have not then received payment in full of the amounts they are entitled to receive under this Article IV of the Plan.

6. Filene's Class 6: Filene's Intercompany Claims (Impaired)

Filene's Class 6 consists of Filene's Intercompany Claims. Pursuant to the Plan Settlement, the Holders of Filene's Intercompany Claims shall not receive or retain any property under the Plan on account of such Claims. On the Effective Date, all Filene's Intercompany Claims shall be deemed cancelled and extinguished.

7. Filene's Class 7: Interests in Filene's (Impaired)

Filene's Class 7 consists of Interests in Filene's. On the Effective Date, all such Interests shall be cancelled, and the Holders thereof shall not be entitled to, and shall not receive or retain, any property or interest in property on account of such Interests.

E. Special Provision Regarding Unimpaired Claims

Except as otherwise provided in the Plan, the Confirmation Order, any other order of the Court, or any document or agreement enforceable pursuant to the terms of the Plan, nothing shall affect the rights and defenses, both legal and equitable, of the Debtors with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupment against Unimpaired Claims.

F. Allowed Claims

Notwithstanding any provision herein to the contrary, Distributions shall be made only to Holders of Allowed Claims. No Holder of a Disputed Claim shall receive any Distribution on account thereof until (and then only to the extent that) its Disputed Claim becomes an Allowed Claim. The Debtors may, in their discretion, withhold Distributions otherwise due hereunder to any Claimholder until the Claims Objection Deadline to enable a timely objection thereto to be filed. Any Holder of a Claim that becomes an Allowed Claim after the Effective Date will receive its Distribution in accordance with the terms and provisions of this Plan.

G. Pension Obligations

Following confirmation of the Plan, the Debtors intend to maintain the Syms Pension Plan (the "Pension Plan") and make all contributions required under applicable minimum funding rules. In the event that the Debtors seek to terminate the Pension Plan, the Debtors intend that any such termination shall be a standard termination pursuant to Section 4041(c) of the Employer Retirement Income Security Act of 1974, as amended.

H. Special Provisions Regarding Insured Claims

Distributions under the Plan to each Holder of an Insured Claim shall be in accordance with the treatment provided under the Plan for Syms General Unsecured Claims and Filene's General Unsecured (Short-Term) Claims; provided, however, that the amount of any such Claim shall be determined as follows:

(1) to the extent a Holder has an Allowed Insured Claim, all or a portion of which is within the applicable deductible or self-insured retention under the relevant insurance policy of the Debtors, then such Holder shall have an Allowed Syms General Unsecured Claim (if Syms is the policyholder) or Allowed Filene's General Unsecured (Short-Term) Claim (if Filene's is the policyholder) for the amount which is within the applicable deductible or self-insured retention under the relevant insurance policy of the Debtors;

(2) to the extent a Holder has an Allowed Insured Claim, a portion of which exceeds the applicable deductible or self-insured retention under the relevant insurance policy of the Debtors, then the amount of such Allowed Insured Claim that (i) exceeds the applicable deductible or self-insured retention but (ii) is less than or equal to the limits of coverage under the relevant insurance policy of the Debtors (the "Insurer Covered Amount") shall not be Allowed as a Syms General Unsecured Claim or a Filene's General Unsecured (Short-Term) Claim; and

(3) to the extent a Holder has an Allowed Insured Claim, a portion of which exceeds the limits of coverage under the relevant insurance policy of the Debtors, then such Holder shall have an Allowed Syms General Unsecured Claim or Allowed Filene's General Unsecured (Short-Term) Claim in the amount by which such Allowed Insured Claim exceeds the limits of coverage under the Debtors' relevant insurance policy;

provided, further, that:

(1) the Insurer Covered Amount shall not be recoverable from the Debtors, and shall only be recoverable from the applicable insurer; and

(2) an Allowed Insured Claim shall not be valid or enforceable against the Debtors' insurers unless and until, among other things, the applicable deductible or self-insured retention has been satisfied in accordance with the Plan by a Distribution under the Plan by the Debtors (or after the Effective Date, the Reorganized Debtors) on account of a Claim equal to the full amount of the applicable deductible or self-insured retention.

Nothing in this section shall constitute a waiver of any causes of action the Debtors or Reorganized Debtors may hold against any Person, including the Debtors' or Reorganized Debtors' insurance carriers, or a waiver of any rights, claims or defenses the insurers may have. Nothing in this section is intended to, shall, or shall be deemed to preclude any holder of an Allowed Insured Claim from seeking and/or obtaining a distribution or other recovery from any insurer of the Debtors in addition to (but not in duplication of) any distribution such holder may receive under the Plan or to preclude any insurer from contesting or asserting defenses to the claims of such holders. The Debtors and Reorganized Debtors do not waive, and expressly reserve their rights to assert that any insurance coverage is property of the Estates to which they are entitled and the insurers expressly reserve their rights to contest or assert defenses to any such assertion by the Debtors or Reorganized Debtors. Nothing in the Disclosure Statement, Plan or Confirmation Order shall be construed as, or is, a determination as to coverage in connection with any Insured Claim under any applicable insurance policy.

I. Special Provisions Regarding Workers' Compensation Claims and Obligations

As of the Effective Date, the Debtors and the Reorganized Debtors shall continue to honor in the ordinary course of business their obligations under the terms and conditions of (1) all applicable workers' compensation laws in states in which the Debtors and the Reorganized Debtors operate and (2) the Debtors' and the Reorganized Debtors' written contracts, agreements, policies, programs and plans for workers' compensation and workers' compensation insurance; provided, however, that nothing in this Plan shall limit, diminish or otherwise alter the Debtors' or Reorganized Debtors' defenses, causes of action or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs and plans; provided, further, that nothing herein shall be deemed to impose any obligations on the Debtors or Reorganized Debtors in addition to those arising under applicable state law.

All Proofs of Claim on account of workers' compensation shall be deemed withdrawn automatically and without any further notice to or action, order or approval of the Bankruptcy Court.

V. ACCEPTANCE OR REJECTION OF THE PLAN

A. Impaired Classes Entitled to Vote

Only Holders of Syms Class 4 General Unsecured Claims, Syms Class 6 Interests Filene's Class 4 General Unsecured (Short-Term) Claims and Filene's Class 5 General Unsecured (Long-Term) Claims are entitled to vote to accept or reject the Plan.

B. Acceptance by an Impaired Class

In accordance with Bankruptcy Code section 1126(c) and except as provided in Bankruptcy Code section 1126(e), (i) an Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims in such Class that have timely and properly voted to accept or reject the Plan and (ii) an Impaired Class of Interests shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds of the Allowed Interests in such Class that have timely and properly voted to accept or reject the Plan.

C. Presumed Acceptances/Rejections

Syms Classes 1, 2, and 3 and Filene's Classes 1, 2, and 3 are Unimpaired by the Plan. Under Bankruptcy Code section 1126(f), Holders of Claims in such Classes are conclusively presumed to accept the Plan, and the votes of such Holders will not be solicited. Under Bankruptcy Code section 1126(g), Holders of Syms Class 5 Claims and Holders of Filene's Class 6 Claims, and Holders of Filene's Class 7 Interests are not entitled to receive any recovery under the Plan but have proposed the Plan and therefore shall be deemed to have accepted the Plan.

VI. MEANS FOR IMPLEMENTATION OF THE PLAN

A. Corporate Action

1. Continued Corporate Existence of Reorganized Syms

Subject to the transactions contemplated by this Plan, Reorganized Syms shall continue to exist after the Effective Date as a separate entity, with all the powers of a corporation under applicable law. On and after the Effective Date, Reorganized Syms may operate its businesses and may use, acquire and dispose of property and compromise or settle any Claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order. Reorganized Syms shall be reorganized and reincorporated as a Delaware corporation as of the Effective Date pursuant to its certificate of incorporation and bylaws or other organizational documents as set forth in the Plan Supplement, without prejudice to any right to terminate such existence (whether by merger, dissolution or otherwise) under applicable law after the Effective Date. Among other things, Reorganized Syms' certificate of incorporation shall comply with section 1123(a)(6) of the Bankruptcy Code.

2. Governance and Management of Reorganized Syms

Reorganized Syms's Board of Directors shall be comprised of five (5) members. One (1) member shall be an outside director with real estate expertise reasonably acceptable to the Creditors' Committee and Equity Committee.

Subject to any requirement of Bankruptcy Court approval pursuant to section 1129(a)(5) of the Bankruptcy Code, the initial board of directors and the officers of Reorganized Syms will be identified in the Plan Supplement. The compensation to be disbursed to the directors, executives and officers serving Reorganized Syms as of the Effective Date also will be disclosed in the Plan Supplement. The organizational documents of Reorganized Syms shall provide for the replacement of three (3) members of the Board of Directors of Reorganized Syms by persons designated by the Holders of Allowed Syms General Unsecured Claims, Allowed Filene's General Unsecured (Short-Term) Claims and Allowed Filene's General Unsecured (Long-Term) Claims (as the case may be) in accordance with Article IV of the Plan in the event such Holders do not receive payment in full of the amounts they are entitled to receive on the dates set under Article IV of the Plan.

3. Merger of Filene's, Advertising and Clothing into Reorganized Syms

On the Effective Date, or as soon thereafter as is practicable, Filene's, Advertising and Clothing shall be merged with and into Reorganized Syms in accordance with applicable governing law, provided however, that all Filene's Cash and other assets of Filene's shall be transferred to the Filene's Segregated Fund from which Reorganized Syms will make distributions to Holders of Filene's Claims in accordance with the terms of this Plan.

The officers, directors and managers of Filene's Advertising and Clothing shall be deemed to have resigned upon the Effective Date, or as soon thereafter as the Merger may be effected in accordance with applicable law; provided, however, that such resignations shall not be effective until such officers, directors and managers have discharged all remaining responsibilities with respect to such entities in accordance with applicable law. If necessary or appropriate, Reorganized Syms shall cause certificates of merger to be filed for Filene's, Advertising and Clothing and shall take all other actions necessary or appropriate to effect the Merger under applicable law.

4. No Further Corporate Action

Except as otherwise provided in the Plan, each of the matters provided for under the Plan involving the corporate or limited liability company structure of the Debtors or corporate or limited liability company action to be taken by or required of the Debtors shall, as of the Effective Date, be deemed to have occurred and be effective as provided herein, and shall be authorized and approved in all respects without any requirement of further action by any Person, including but not limited to, Holders of Claims against or Interests in the Debtors, or directors or officers of the Debtors.

5. Effectuating Documents; Further Transactions

The Debtors' officers and directors, as appropriate, shall be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

B. Vesting of Estate Assets

On the Effective Date, and except as otherwise set forth herein, all property of the Estates, including the Syms Owned Real Estate and all Causes of Action and Avoidance Actions, shall vest in Reorganized Syms free and clear of all Claims, Liens, charges, encumbrances, rights, and Interests of creditors and equity security holders; provided, however, that on the Effective Date, all Filene's Cash and proceeds of other Filene's assets shall be deemed transferred to Filene's Segregated Fund from which Reorganized Syms will make distributions to Holders of Allowed Claims against Filene's in accordance with the terms of the Plan. As of the Effective Date, Reorganized Syms shall operate its business and use, acquire and dispose of its property, including by operating, leasing and disposing of the Syms Owned Real Estate, in a commercially reasonable manner designed to maximize value, without supervision of the Bankruptcy Court, and free of any restrictions imposed by the Bankruptcy Code or the Bankruptcy Rules, other than those restrictions expressly imposed by this Plan or the Confirmation Order.

C. Sources of Distributions and Uses of Net Proceeds of Syms Owned Real Estate

Distributions in accordance with the terms of the Plan shall be made from, among other things, (i) Cash on hand as of the Effective Date, (ii) proceeds of any Exit Financing that may be required to confirm and consummate the Plan, (iii) Net Proceeds from the disposition of Syms Owned Real Estate, and/or (iii) proceeds from any post-Effective Date financings or capital raises as may be authorized by the Board of Directors of Reorganized Syms. Notwithstanding the foregoing or any other term of the Plan, the first \$5.0 million of Net Proceeds realized from the sale of Syms Owned Real Estate shall be retained by Reorganized Syms and used to fund working capital for Reorganized Syms.

D. Cancellation of Existing Securities and Agreements

Except as otherwise provided in the Plan, and in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to Article IV hereof, all promissory notes, share certificates, other instruments evidencing any Claims or Interests, other than a Claim or Interest that is Unimpaired under the Plan and Syms Class 5 Interests, and all options, warrants, calls, rights, puts, awards, commitments, or any other agreements of any character to acquire such Syms Class 5 Interests, shall be deemed canceled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order, or rule, and the obligations of the Debtors under the notes, share certificates, and other agreements and instruments governing such Claims and Interests shall be discharged. The holders of or parties to such canceled notes, share certificates and other agreements and instruments shall have no rights arising from or relating to such notes, share certificates and other agreements and instruments or the cancellation thereof, except the rights provided pursuant to the Plan.

E. Issuance of New Securities and Capital Raising

Following the Effective Date, Reorganized Syms may issue new debt or equity capital in accordance with applicable law, as and to the extent authorized by the Board of Directors of Reorganized Syms.

F. Funding of Reserves

1. Professional Fee Reserve

On or before the Effective Date, the Debtors shall fund the Professional Fee Reserve in the amount of the aggregate Professional Fee Estimate. The Debtors shall (i) segregate and shall not commingle the Cash held therein and (ii) pay each Allowed Professional Fee Claim from the Professional Fee Reserve upon entry of a Final Order allowing such Claim. In the event that Cash remains in the Professional Fee Reserve after payment of all Allowed Professional Fee Claims, such residual Cash shall be utilized to make distributions to Holders of Claims and Interests as provided for in the Plan.

2. Administrative Claims Reserve

On or before the Effective Date, the Debtors shall fund the Administrative Claims Reserve in an amount equal to an estimate of all Administrative Claims. The Debtors shall (i) segregate and shall not commingle the Cash held therein and (ii) pay each Allowed Administrative Claim, upon entry of a Final Order allowing such Claim or on such other date provided herein. In the event that Cash remains in the Administrative Claims Reserve after payment of all Allowed Administrative Claims, such residual Cash shall be used to make distributions to Holders of Claims and Interests as provided for in the Plan.

G. Exemption from Certain Transfer Taxes

Pursuant to Bankruptcy Code section 1146(a), any transfers from any of the Debtors to any Person, including any transfers of Syms Owned Real Estate after Confirmation in the United States, shall not be subject to any stamp tax or similar tax, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

H. Preservation and Settlement of Causes of Action and Avoidance Actions

1. Preservation of Causes of Action and Avoidance Actions

In accordance with Bankruptcy Code section 1123(b)(3) and except as otherwise provided in the Plan or the Confirmation Order, the Debtors shall retain all of the Causes of Action and Avoidance Actions and all such Causes of Action and Avoidance Actions shall vest in Reorganized Syms on the Effective Date, a nonexclusive list of which will be set forth in the Plan Supplement. Reorganized Syms may investigate, enforce, sue on, settle or compromise (or decline to do any of the foregoing) any or all of the Causes of Action and Avoidance Actions. The failure of the Debtors to list a claim, right, cause of action, suit or proceeding in the Plan Supplement shall not constitute a waiver or release by the Debtors or their Estates of such claim, right of action, suit or proceeding. Such Causes of Action and Avoidance Actions shall survive entry of the Confirmation Order for the benefit of the Debtors and their Estates.

2. Settlement of Causes of Action and Avoidance Actions

At any time after the Confirmation Date but before the Effective Date, notwithstanding anything in the Plan to the contrary, Reorganized Syms may settle some or all of the Causes of Action and Avoidance Actions pursuant to Bankruptcy Rule 9019 with the approval of the Court and upon notice to the Creditors' Committee and the Equity Committee; after the Effective Date, Reorganized Syms, will determine whether to bring, settle, release, compromise, enforce or abandon such rights (or decline to do any of the foregoing).

I. Effectuating Documents; Further Transactions

The Debtors shall be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, that are not inconsistent with the other terms and conditions of the Plan.

VII. PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions for Claims Allowed as of the Effective Date

All Distributions to be made on account of Claims that are Allowed Claims as of the Effective Date shall be made on the Initial Distribution Date or as soon thereafter as Cash becomes available therefore. Distributions on account of Claims that first become Allowed Claims after the Effective Date shall be made pursuant to the terms and conditions of this Plan, and on such day as selected by Reorganized Syms in its sole discretion. Notwithstanding any other provision of the Plan to the contrary, no Distribution shall be made on account of any Allowed Claim or portion thereof that (i) has been satisfied after the Petition Date pursuant to an order of the Bankruptcy Court; or (ii) is listed in the Debtors' schedules (as may be amended or supplemented from time to time) as contingent, unliquidated, disputed or in a zero amount, and for which a Proof of Claim has not been timely filed.

B. Reorganized Syms as Disbursing Agent

Subject to the terms and provisions of this Plan, Reorganized Syms shall make all Distributions required under this Plan with respect to the Debtors' Estates. Reorganized Syms shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court or required by the Bankruptcy Code or the Bankruptcy Rules. Reorganized Syms shall be authorized and directed to rely upon the Debtors' books and records and the Debtors' representatives

and professionals in determining Claims not entitled to a Distribution under the Plan in accordance with the terms of the Plan.

C. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions in General

Distributions to Holders of Allowed Claims shall be made by Reorganized Syms (a) at the addresses set forth on the Proofs of Claim filed by such Holders (or at the last known addresses of such Holders if no Proof of Claim is filed or if the Debtors have been notified of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Debtors after the date of any related Proof of Claim, (c) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Debtors have not received a written notice of a change of address, (d) at the addresses set forth in the other records of the Debtors at the time of the Distribution or (e) in the case of the Holder of a Claim that is governed by an agreement and is administered by an agent or servicer, at the addresses contained in the official records of such agent or servicer. In making Distributions under the Plan, Reorganized Syms may rely upon the accuracy of the claims register maintained by the Claims Agent in the Chapter 11 Cases, as modified by any Final Order of the Bankruptcy Court disallowing Claims in whole or in part.

2. Undeliverable and Unclaimed Distributions

If the Distribution to any Holder of an Allowed Claim or Allowed Interest is returned to Reorganized Syms as undeliverable or is otherwise unclaimed, no further Distributions shall be made to such Holder unless and until Reorganized Syms is notified in writing of such Holder's then-current address, at which time all missed Distributions shall be made to such Holder without interest. Amounts in respect of undeliverable Distributions shall be returned to Reorganized Syms until such Distributions are claimed. Reorganized Syms shall segregate and, deposit in a segregated account (the "Unclaimed Distribution Reserve") undeliverable and unclaimed Distributions for the benefit of all such similarly situated Persons or Governmental Units until such time as a Distribution becomes deliverable or is claimed.

Any Holder of an Allowed Claim or Allowed Interest that does not assert a Claim or Interest pursuant to this Plan for an undeliverable or unclaimed Distribution within six (6) months after the last Distribution Date shall be deemed to have forfeited its Claim or Interest for such undeliverable or unclaimed Distribution and shall be forever barred and enjoined from asserting any such Claim or Interest for an undeliverable or unclaimed Distribution against the Debtors and their Estates, and their respective agents, attorneys, representatives, employees or independent contractors, and/or any of its and their property. In such cases, any Cash otherwise reserved for undeliverable or unclaimed Distributions shall be distributed in accordance with the terms of this Plan. Nothing contained in this Plan shall require Reorganized Syms to attempt to locate any Holder of an Allowed Claim or Allowed Interest.

D. Prepayment

Except as otherwise provided in this Plan or the Confirmation Order, Reorganized Syms shall have the right to prepay, without penalty, all or any portion of an Allowed Claim.

E. Means of Cash Payment

Cash payments made pursuant to this Plan shall be in U.S. dollars and shall be made at the option and in the sole discretion of Reorganized Syms by (i) checks drawn on or (ii) wire transfers from a

domestic bank selected by Reorganized Syms. In the case of foreign creditors, Cash payments may be made, at the option of Reorganized Syms, in such funds and by such means as are necessary or customary in a particular jurisdiction.

F. Interest on Disputed Claims

Unless otherwise specifically provided for in the Plan or the Confirmation Order, interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date such Disputed Claim becomes an Allowed Claim.

G. Withholding and Reporting Requirements

In accordance with Bankruptcy Code section 346 and in connection with the Plan and all Distributions thereunder, Reorganized Syms shall, to the extent applicable, comply with all withholding and reporting requirements imposed by any U.S. federal, state, local, or non-U.S. taxing authority. Reorganized Syms shall be authorized to take any and all actions necessary and appropriate to comply with such requirements. All Distributions hereunder may be subject to the withholding and reporting requirements. As a condition of making any Distribution under the Plan, Reorganized Syms may require the Holder of an Allowed Claim or Allowed Interest to provide such Holder's taxpayer identification number, and such other information, certification, or forms as necessary to comply with applicable tax reporting and withholding laws. Notwithstanding any other provision of this Plan, each Entity receiving a Distribution pursuant to this Plan shall have sole and exclusive responsibility for the satisfaction and payment of tax obligations on account of any such Distribution.

H. Setoffs

1. By Reorganized Syms

Except as otherwise set forth in the Plan, Reorganized Syms may, pursuant to Bankruptcy Code section 553, 558 or any other applicable law, but shall not be required to, set off against any Claim, and the payments or other Distributions to be made pursuant to the Plan in respect of such Claim, Claims of any nature whatsoever that the Debtors may have against the Holder of such Claim; provided, however, that neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors of any such Claim that the Debtors may have against such Holder.

2. By Non-Debtors

Unless otherwise authorized by a Final Order, any Holder of a Claim must assert any setoff rights against a Claim by a Debtor against such Entity by timely filing (i) a Proof of Claim asserting such right of setoff, (ii) an appropriate motion on or before the Confirmation Date seeking authority to setoff, or (iii) an objection to Confirmation on or before the Confirmation Objection Deadline asserting, preserving or otherwise referencing the existence of such right of setoff, or will be deemed to have waived and be forever barred from asserting any right to setoff against a Claim by a Debtor; provided, however, that the right of any Debtor to object to the validity of any asserted right of setoff shall be preserved.

I. Procedure for Treating and Resolving Disputed, Contingent and/or Unliquidated Claims

1. Objection Deadline; Prosecution of Objections

Except as set forth in the Plan with respect to Professional Fee Claims and Administrative Claims, all objections to Claims must be filed and served on the Holders of such Claims by the Claims Objection

Deadline, as the same may be extended by the Bankruptcy Court. If an objection has not been filed to a Claim or the Schedules have not been amended with respect to a Claim that (i) was Scheduled by the Debtors but (ii) was not Scheduled as contingent, unliquidated, and/or disputed, by the Claims Objection Deadline, as the same may be extended by order of the Bankruptcy Court, the Claim to which the Proof of Claim or Scheduled Claim relates will be treated as an Allowed Claim if such Claim has not been allowed earlier. Notice of any motion for an order extending the Claims Objection Deadline shall be required to be given only to those Entities that have requested notice in the Chapter 11 Cases, or to such Entities as the Bankruptcy Court shall order. From the Confirmation Date through the Claims Objection Deadline, Reorganized Syms shall have the exclusive authority to file objections, settle, compromise, withdraw, or litigate to judgment objections to Claims.

2. No Distributions Pending Allowance

Notwithstanding any other provision of the Plan, no payments or Distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim. To the extent that a Claim is not a Disputed Claim but is held by a Holder that is or may be liable to the Debtors, no payments or Distributions shall be made with respect to all or any portion of such Claim unless and until such Claim and liability have been settled or withdrawn or have been determined by Final Order of the Bankruptcy Court or such other court having jurisdiction over the matter. On each Distribution Date, Reorganized Syms will make Distributions (a) on account of any Disputed Claim that has become an Allowed Claim since the preceding Distribution Date and (b) on account of previously Allowed Claims, from the applicable reserves, of property that would have been distributed to such Claimholders on the dates Distributions previously were made to Holders of Allowed Claims had the Disputed Claims that have become Allowed Claims been Allowed on such dates.

3. De Minimis Distributions

Reorganized Syms shall not have any obligation to make a Distribution on account of an Allowed Claim from any reserve or otherwise if (a) the aggregate amount of all Distributions authorized to be made from such reserve or otherwise on the Distribution Date in question (other than the final Distribution Date) is or has a value less than \$250,000, or (b) if the amount to be distributed to the specific Holder of the Allowed Claim on the particular Distribution Date does not constitute a final Distribution to such Holder and such Distribution has a value less than \$10.00. Reorganized Syms shall have no obligation to make any Distribution, whether final or not, unless and until the total amount of such Distribution to a specific Holder of an Allowed Claim is equal to or greater than \$10.00.

4. Claims Resolution and Compromise

As of the Effective Date, Reorganized Syms is authorized to compromise or settle all Claims, Disputed Claims, and Liens pursuant to Bankruptcy Rule 9019(b), and to execute necessary documents, including Lien releases (subject to the written consent of the party having such Lien) and stipulations of settlement or release, without further order of the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order.

J. Fractional Dollars

Any other provision of this Plan notwithstanding, Reorganized Syms shall not be required to make Distributions or payments of fractions of dollars. Whenever any payment of a fraction of a dollar

under this Plan would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down.

K. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a Distribution under this Plan is composed of indebtedness and accrued but unpaid interest thereon, such Distribution shall, for all income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

L. Distribution Record Date

Reorganized Syms shall have no obligation to recognize the transfer of or sale of any participation in any Allowed Claim or Allowed Interest that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute only to those Holders of Allowed Claims and Interests who are Holders, or participants therein, as of the close of business on the Distribution Record Date. Instead, Reorganized Syms shall be entitled to recognize and deal for all purposes under this Plan with only those record holders stated on the official claims register or other applicable records as of the close of business on the Distribution Record Date.

VIII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejected Contracts and Leases

Except as otherwise provided in the Confirmation Order, the Plan, or any other Plan document, the Confirmation Order shall constitute an order under Bankruptcy Code section 365 rejecting all prepetition executory contracts, including purchase orders, and unexpired leases to which any Debtor is a party, to the extent such contracts or leases are executory contracts or unexpired leases, on and subject to the occurrence of the Effective Date, unless such contract or lease (a) previously shall have been assumed, assumed and assigned, or rejected by the Debtors, (b) previously shall have expired or terminated pursuant to its own terms before the Effective Date, (c) is the subject of a pending motion to assume or reject on the Confirmation Date, or (d) is identified in Exhibit B to the Plan as an insurance policy or insurance agreement of the Debtors; provided, however, that the Debtors may amend such Exhibit B at any time prior to the Confirmation Date; provided further, however, that listing an insurance agreement on such Exhibit shall not constitute an admission by a Debtor that such agreement is an executory contract or that any Debtor has any liability thereunder.

B. Insurance Policies and Agreements

Insurance policies issued to, or insurance agreements entered into by, the Debtors prior to the Petition Date (including, without limitation, any policies covering directors' or officers' conduct) shall continue in effect after the Effective Date. To the extent that such insurance policies or agreements (including, without limitation, any policies covering directors' or officers' conduct) are considered to be executory contracts, then, notwithstanding anything to the contrary in the Plan, the Plan shall constitute a motion to assume or ratify such insurance policies and agreements, and, subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute approval of such assumption pursuant to section 365(a) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such assumption is in the best interests of each Debtor and its Estate. Unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed to by the parties thereto prior to the Effective Date, no payments shall be required to cure any defaults of the Debtors existing as of the Confirmation Date with respect to each such insurance policy or agreement. To the extent that the Bankruptcy Court

determines otherwise as to any such insurance policy or agreement, the Debtors reserve the right to seek the rejection of such insurance policy or agreement or other available relief.

C. Indemnification Obligations

Notwithstanding Article VIII.A. of the Plan, or any contract, instrument, release, or other agreement or document entered into in connection with this Plan, any and all Indemnification Obligations that the Debtors have pursuant to a contract, instrument, agreement, certificate of incorporation, by-law, comparable organizational document or any other document, or applicable law shall be deemed an executory contract that is assumed as of the Effective Date, and all Claims arising out of Indemnification Obligations shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed by Reorganized Syms pursuant to section 365 of the Bankruptcy Code.

Indemnification Obligations owed to any Professionals retained pursuant to sections 327 or 328 of the Bankruptcy Code and order of the Court, to the extent that such Indemnification Obligations relate to the period after the Petition Date, shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed pursuant to section 365 of the Bankruptcy Code under the Plan.

D. Bar to Rejection Damages

If the rejection of an executory contract or unexpired lease pursuant to the Plan gives rise to a Claim by the other party or parties to such contract or lease, such Claim shall be forever barred and shall not be enforceable against the applicable Debtor or its Estate, or their respective successors or properties unless a Proof of Claim is filed with the Claims Agent and served on the Debtors and counsel for the Debtors within thirty (30) days after service of a notice of occurrence of the Effective Date or such other date as is prescribed by the Bankruptcy Court.

E. Assumed and Assigned Contracts and Leases

Except as otherwise provided in the Confirmation Order, the Plan, or any other Plan document entered into after the Petition Date or in connection with the Plan, the Confirmation Order shall constitute an order under Bankruptcy Code section 365 assuming, as of the Effective Date, those agreements listed on Exhibit B to this Plan; provided, however, that the Debtors may amend such Exhibit at any time prior to the Confirmation Date; provided further, however, that listing an agreement on such Exhibit shall not constitute an admission by a Debtor that such agreement is an executory contract or that any Debtor has any liability thereunder.

IX. CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Conditions to Confirmation

The following are conditions precedent to the occurrence of the Confirmation Date:

1. The entry of a Final Order finding that the Disclosure Statement contains adequate information pursuant to Bankruptcy Code section 1125;
2. The proposed Confirmation Order shall be, in form and substance, reasonably acceptable to the Debtors; and
3. All provisions, terms and conditions hereof are approved in the Confirmation Order.

B. Conditions to Effective Date

The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived in writing in accordance with Article IX.C:

1. The Confirmation Order shall have been entered and become a Final Order, shall be in form and substance acceptable to the Debtors and shall provide that the Debtors are authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, leases, indentures, and other agreements or documents created in connection with the Plan or effectuate, advance, or further the purposes thereof;
2. All Plan Exhibits shall be in form and substance reasonably acceptable to the Debtors, and shall have been executed and delivered by all parties signatory thereto;
3. The Debtors shall be authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, and the agreements or documents created in connection with the Plan;
4. All other actions, documents, and agreements necessary to implement the Plan shall have been effected or executed and shall be in form and substance acceptable to the Debtors;
5. The Professional Fee Reserve and the Administrative Claims Reserve shall have been funded; and
6. The Share Purchase Transaction shall have been consummated.

C. Waiver of Conditions

Each of the conditions set forth in Articles IX.A and IX.B of the Plan may be waived in whole or in part by the Plan Proponents. The failure to satisfy or waive any condition to the Effective Date may be asserted by the Debtors regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of a party to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

D. Consequences of Non-Occurrence of Effective Date

In the event that the Effective Date does not timely occur, the Plan Proponents reserve all rights to seek an order from the Bankruptcy Court directing that the Confirmation Order be vacated, that the Plan be null and void in all respects, and/or that any settlement of Claims provided for in the Plan be null and void. In the event that the Bankruptcy Court shall enter an order vacating the Confirmation Order, the time within which the Debtors may assume and assign, or reject all executory contracts and unexpired leases not previously assumed, assumed and assigned, or rejected, shall be extended for a period of thirty (30) days after the date the Confirmation Order is vacated, without prejudice to further extensions.

E. Cram Down

The Plan Proponents request Confirmation under section 1129(b) of the Bankruptcy Code with respect to any Impaired Class that does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Debtors reserve the right to modify the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

X. ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE CLAIMS

A. Professional Fee Claims

1. Final Fee Applications

All Final Fee Applications must be filed no later than forty-five (45) days after the Effective Date. Objections, if any, to Final Fee Applications of such Professionals must be filed and served on the Debtors and their respective counsel, the Creditors' Committee and its counsel and the Equity Committee and its counsel, the requesting Professional and the Office of the U.S. Trustee no later than twenty (20) days from the date on which each such Final Fee Application is served and filed. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the allowed amounts of such Professional Fee Claims shall be determined by the Court.

2. Employment of Professionals after the Effective Date

From and after the Effective Date, any requirement that professionals comply with Bankruptcy Code sections 327 through 331 or any order previously entered by the Bankruptcy Court in seeking retention or compensation for services rendered or expenses incurred after such date will terminate.

B. Substantial Contribution Compensation and Expenses Bar Date

Any Person who wishes to make a Substantial Contribution Claim based on facts or circumstances arising after the Petition Date, must file an application with the clerk of the Court, on or before the Administrative Claims Bar Date, and serve such application on counsel for the Debtors, counsel for the Creditors' Committee, and counsel for the Equity Committee, and as otherwise required by the Court and the Bankruptcy Code, or be forever barred from seeking such compensation or expense reimbursement. Objections, if any, to the Substantial Contribution Claim must be filed no later than the Administrative Claims Objection Deadline, unless otherwise extended by Order of the Court.

C. Administrative Claims

All Administrative Claims arising after the Petition Date, other than Professional Fee Claims, must be filed with the Claims Agent and served on counsel for the Debtors so as to be received no later than 5:00 p.m., Eastern Time on the Administrative Claims Bar Date. Any such Claim may be submitted in person or by courier service, hand delivery or mail addressed to the Claims Agent at the Claims Agent's applicable addresses as specified in Article XIII.F herein. Any such Claim submitted by facsimile will not be accepted and will not be deemed filed until such Claim is submitted by one of the methods described in the foregoing sentence. An Administrative Claim will be deemed filed only when actually received by the Claims Agent. Unless Reorganized Syms or any other party in interest objects by the Administrative Claims Objection Deadline to an Administrative Claimant, such Claim shall be deemed allowed in the amount requested. In the event that Reorganized Syms or any other party in interest objects to such a Claim, the Bankruptcy Court shall determine the allowed amount of such Claim.

XI. EFFECT OF PLAN CONFIRMATION

A. Binding Effect

This Plan shall be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims and Interests, and their respective successors and assigns.

B. Discharge

Upon the Effective Date, the Debtors shall be discharged and released under section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in section 502 of the Bankruptcy Code, whether or not (i) a proof of claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code, (ii) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code, (iii) a Claim based upon such debt is or has been disallowed by order of the Bankruptcy Court, or (iv) the Holder of a Claim based upon such debt accepted this Plan.

As of the Effective Date, except as provided in this Plan or the Confirmation Order, all Persons shall be precluded from asserting against the Debtors or their properties, including the Syms Owned Real Estate, any other or further Claims, debts, rights, Causes of Action, claims for relief, or liabilities relating to the Debtors based upon any act, omission, transaction, occurrence, or other activity of any nature that occurred prior to the Effective Date. In accordance with the foregoing, except as provided in this Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination of discharge of all such Claims and other debts and liabilities, pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtors at any time, to the extent that such judgment relates to a discharged Claim.

C. Injunction

Except as otherwise provided in the Plan, the Confirmation Order shall provide, among other things, that from and after the Effective Date, all Persons who have held, hold or may hold Claims against or Interests in the Debtors are permanently enjoined from taking any of the following actions against the Estates, the Debtors, Reorganized Syms or any of their property on account of any such Claims or Interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree or order; (C) creating, perfecting, or enforcing any lien or encumbrance; (D) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtors; and (E) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; *provided, however*, that nothing contained herein shall preclude such Persons from exercising their rights pursuant to and consistent with the terms of this Plan or the Confirmation Order; *provided further, however*, that nothing in this Article shall impair (i) the rights of any Holder of a Disputed Claim to establish its Claim in response to an objection filed by Reorganized Syms, or (ii) the rights of any defendant in a Cause of Action or Avoidance Action filed by Reorganized Syms to assert defenses in such action.

D. Exculpation and Limitation of Liability

Except as otherwise specifically provided in the Plan, (i) the Debtors, (ii) all of the present or former directors, officers, or employees of any of the Debtors, acting in such capacity and serving as of the Petition Date, (iii) any Professionals of the Debtors, and (iv) the Creditors' Committee and the Equity Committee and their members and Professionals acting in their capacities as such, and any of such parties' successors and assigns, shall not have or incur any liability, claim, action, proceeding, Cause of Action, Avoidance Action, suit, account, controversy, agreement, promise, right to legal remedies, right to equitable remedies, right to payment, or Claim (as defined in Bankruptcy Code Section 101(5)), whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured and whether asserted or assertable directly or derivatively, in law, equity, or otherwise to one another or to any Claimholder or Interestholder, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission originating or occurring on or after the Petition Date through and including the Effective Date in connection with, relating to, or arising out of the Debtors, the Chapter 11 Cases, the negotiation and filing of the Plan or any prior plans, the filing of the Chapter 11 Cases, the pursuit of confirmation of the Plan or any prior plans, the consummation of the Plan, the administration of the Plan, or the property to be liquidated and/or distributed under the Plan, except for their willful misconduct or gross negligence as determined by a Final Order of a court of competent jurisdiction, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Plan *provided, however*, that the foregoing shall not extinguish the personal liability of any of the aforementioned Entities for any statutory violation of applicable tax laws or bar any right of action asserted by a governmental taxing authority against the aforementioned Entities for any statutory violation of applicable tax laws.

E. Debtor Releases

Pursuant to section 1123(b) of the Bankruptcy Code for good and valuable consideration, on and after the Effective Date, (i) all current and former officers, directors, employees, agents and professionals of the Debtors in their capacity as such, (ii) the Equity Committee and the Creditors' Committee and their respective members and professionals in their capacity as such, and (iii) the Majority Shareholder (the "Released Parties") are deemed released and discharged by the Debtors, Reorganized Syms and the Estates from any and all claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that the Debtors, Reorganized Syms, or the Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or Reorganized Syms, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any of the foregoing releasees, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Disclosure Statement, or related agreements, instruments or other documents, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date.

F. Third Party Releases

As of the Effective Date, each Holder of a Claim or Interest (the “Third Party Releasers”) shall be deemed to have conclusively, unconditionally, irrevocably and forever released and discharged the Released Parties from any and all claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or Reorganized Syms, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any of the Released Parties, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Disclosure Statement, or related agreements, instruments or other documents, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence. Notwithstanding anything to the contrary in the foregoing, the third party release set forth above does not bind any Third Party Releaser unless such Third Party Releaser manifests its assent to such third party release by checking the appropriate box on the ballot accompanying the solicitation of votes on the Plan.

For the avoidance of doubt, this Section XI.F shall not be applied to, and shall not be deemed to, modify, limit or override the effect, scope and operation of Sections XI.A, XI.B, XI.C, XI.D and XI.E hereof.

G. Term of Bankruptcy Injunction or Stays

All injunctions or stays provided for in the Chapter 11 Cases under Bankruptcy Code section 105 or 362, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

XII. RETENTION OF JURISDICTION

Under Bankruptcy Code sections 105(a) and 1142, and notwithstanding entry of the Confirmation Order, substantial consummation of the Plan and occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan, including, among other things, jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim, the resolution of any objections to the allowance or priority of Claims or Interests and the determination of requests for the payment of Claims entitled to priority under Bankruptcy Code section 507(a)(1), including compensation of any reimbursement of expenses of parties entitled thereto;
2. Hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under Bankruptcy Code sections 330, 331, 503(b), 1103, and 1129(a)(4); provided, however, that from and after the

Effective Date, the payment of the fees and expenses of the retained Professionals of the Debtors shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court except to the extent otherwise provided in this Plan or the Confirmation Order;

3. Hear and determine all matters with respect to the assumption or rejection of any executory contract or unexpired lease to which a Debtor is a party or with respect to which a Debtor may be liable, and to hear, determine and, if necessary, liquidate any Claims arising therefrom;
4. Effectuate performance of and payments under the provisions of the Plan;
5. Hear and determine any and all adversary proceedings, motions, applications and contested or litigated matters arising out of, under or related to the Chapter 11 Cases or the Plan;
6. Enter such orders as may be necessary or appropriate to execute, implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;
7. Hear and determine disputes arising in connection with the interpretation, implementation, consummation or enforcement of the Plan, including disputes arising under agreements, documents or instruments executed in connection with the Plan;
8. Consider any modifications of the Plan, and cure any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
9. Issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with implementation, consummation, or enforcement of the Plan or the Confirmation Order;
10. Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified or vacated;
11. Hear and determine any matters arising in connection with or relating to the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan, the Plan Supplement, the Disclosure Statement or the Confirmation Order;
12. Enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Cases;
13. Except as otherwise limited herein, recover all assets of the Debtors and property of the Estates, wherever located;

14. Hear and determine matters concerning state, local and federal taxes in accordance with Bankruptcy Code sections 346, 505 and 1146;
15. Hear and determine any Causes of Action and Avoidance Actions, including any such Causes of Action and Avoidance Actions brought by the Debtors;
16. Hear and determine all disputes involving the existence, nature or scope of the injunctions, indemnification, exculpation and releases granted pursuant to this Plan;
17. Hear and determine all matters related to (i) the property of the Estates from and after the Confirmation Date, (ii) any winding up of the Debtors' affairs, and (iii) the activities of the Debtors, including (A) challenges to or approvals of the Debtors' activities and (B) reporting by, termination of and accounting by the Debtors;
18. Hear and determine all disputes involving any dispute relating to any liability arising out of any termination of employment or the termination of any employee or retiree benefit provision, regardless of whether such termination occurred prior to or after the Effective Date;
19. Hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;
20. Enforce all orders previously entered by the Bankruptcy Court;
21. Dismiss any and/or all of the Chapter 11 Cases; and
22. Enter a final decree closing the Chapter 11 Cases.

XIII. MISCELLANEOUS PROVISIONS

A. Modifications and Amendments

The Debtors may alter, amend or modify the Plan or any Exhibits thereto under Bankruptcy Code section 1127(a) at any time prior to the Confirmation Date. After the Confirmation Date and prior to substantial consummation of the Plan as defined in Bankruptcy Code section 1101(2), the Debtors may, under Bankruptcy Code section 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan so long as such proceedings do not adversely affect the treatment of Holders of Claims or Interests; provided, however, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Court.

B. Severability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, then the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

C. Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of that Person.

D. Payment of Statutory Fees

All fees then due and payable pursuant to 28 U.S.C. § 1930, as determined by the Court at the Confirmation Hearing, shall be paid on or before the Effective Date by the Debtors. All such fees that become due and payable thereafter by a Debtor shall be paid by Reorganized Syms. Reorganized Syms shall pay quarterly fees to the U.S. Trustee until the Chapter 11 Cases are closed or converted and/or the entry of final decrees. Reorganized Syms shall file post-confirmation quarterly reports or any pre-confirmation monthly operating reports not filed as of the Confirmation Hearing in conformance with the U.S. Trustee Guidelines. The U.S. Trustee shall not be required to file a request for payment of its quarterly fees, which shall be paid by Reorganized Syms.

E. Revocation, Withdrawal or Non-Consummation

The Debtors reserve the right to revoke or withdraw the Plan as to any or all of the Debtors prior to the Confirmation Date and to file subsequent plans. If the Plan Proponents revoke or withdraw the Plan as to any or all of the Debtors, or if Confirmation or Consummation of the Plan as to any or all of the Debtors does not occur, then, with respect to such Debtors, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for Consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, such Debtors or any other Person, (ii) prejudice in any manner the rights of such Debtors or any other Person, or (iii) constitute an admission of any sort by such Debtors or any other Person.

F. Service of Documents

Any notice, request or demand required or permitted to be made or provided to or upon a Debtor, the Creditors' Committee and/or the Equity Committee under the Plan shall be (a) in writing, (b) served by (i) certified mail, return receipt requested, (ii) hand delivery, (iii) overnight delivery service, (iv) first class mail, or (v) facsimile transmission, (c) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, and (d) addressed as follows:

The Debtors:

Syms Corp.
1 Syms Way

Secaucus, NJ 07094
Attn: Laura Brandt, Esq.

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
One Rodney Square
P.O. Box 636
Wilmington, DE 19899-0636
Attn: Mark S. Chehi
Tel: (302) 651-3000
Fax: (302) 651-3001

and

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Attn: Jay M. Goffman
Mark A. McDermott
Tel: (212) 735-3000
Fax: (212) 735-2000

The Creditors' Committee:

Michael J. Merchant
Paul N. Heath
Marisa Terranova
RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Tel: (302) 651-7700

and

Mark T. Power
Janine M. Cerbone
Alison M. Ladd
HAHN & HESSEN LLP
488 Madison Avenue
New York, New York 10022
Tel: (212) 478-7200

The Equity Committee:

Robert J. Dehney
Curtis M. Miller
Matthew B. Harvey
MORRIS, NICHOLS, ARSHT & TUNNELL LLP
1201 North Market Street

P.O. Box 1347
Wilmington, DE 19899-1347
Tel: (302) 658-9200
Fax: (302) 658-3989

and

Thomas B. Walper
Seth Goldman
Bradley R. Schneider
MUNGER, TOLLES & OLSON LLP
355 South Grand Avenue
35th Floor
Los Angeles, CA 90071-1560
Tel: (213) 683-9100
Fax: (213) 683-5172

The Claims Agent:

Kurtzman Carson Consultants LLC
2335 Alaska Ave
El Segundo, CA 90245
310-823-9000

G. Effect on Previous Orders

Nothing contained in the Plan or any Confirmation Order shall be deemed to conflict with, or derogate from, the terms of any previous orders entered by the Bankruptcy Court, such that, to the extent that there are any inconsistencies between the terms of any such order, on the one hand, and the Plan and the Confirmation Order, on the other hand, the terms of the order shall govern.

H. Tax Reporting And Compliance

The Debtors are hereby authorized to request an expedited determination under Bankruptcy Code section 505(b) of the tax liability of the Debtors for all taxable periods ending after the Petition Date through and including the Effective Date.

I. Filing Of Additional Documents

On or before substantial Consummation of this Plan, the Plan Proponents shall file such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

J. Dissolution of Official Committees

On the Effective Date, the Creditors' Committee and the Equity Committee shall dissolve and the members of such committees shall be released and discharged from all duties and obligations arising from or related to the Chapter 11 Cases. Reorganized Syms shall select and direct counsel to represent the Reorganized Debtors in the Chapter 11 Cases before the Bankruptcy Court.

Dated: Wilmington, DE
May 24, 2012

SYMS CORP.
(for itself and on behalf of each Debtor)

OFFICIAL COMMITTEE OF SYMS CORP.
EQUITY SECURITY HOLDERS

By: /s/ Gary P. Binkoski
Name: Gary P. Binkoski
Title: Chief Financial Officer

By: /s/
Name:
Title:

/s/ Mark S. Chehi
Mark S. Chehi (ID No. 2855)
Skadden, Arps, Slate, Meagher & Flom LLP
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899-0636
(302) 651-3000

/s/ Robert J. Dehney
Robert J. Dehney (Bar No. 3578)
Curtis S. Miller (Bar No. 4583)
Matthew B. Harvey (Bar No. 5186)
Morris, Nichols, Arsht & Tunnell LLP
1201 North Market Street
P.O. Box 1347
Wilmington, DE 19899-1347
Telephone: (302) 658-9200
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- and -

-and-

Jay M. Goffman
Mark A. McDermott
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522

Counsel for Debtors and Debtors in Possession

Thomas B. Walper
Seth Goldman
Bradley R. Schneider
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355 South Grand Avenue, 35th Floor
Los Angeles, CA 90071-1560
Telephone: (213) 683-9100
Facsimile: (213) 683-5172

Counsel to the Official Committee of Syms
Corp. Equity Security Holders

I. Filing Of Additional Documents

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Dated: Wilmington, DE
May 24, 2012

SYMS CORP.
(for itself and on behalf of each Debtor)

OFFICIAL COMMITTEE OF SYMS CORP.
EQUITY SECURITY HOLDERS

By: /s/
Name: Gary P. Binkoski
Title: Chief Financial Officer

By: /s/ 
Name: Andrew L. Sole
Title: Chairman-Statutory Equity Holders Committee
Managing Member-Esopus Creek Advisors

/s/
Mark S. Chehi (ID No. 2855)
Skadden, Arps, Slate, Meagher & Flom LLP
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/s/
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Counsel for Debtors and Debtors in Possession

Counsel to the Official Committee of Syms
Corp. Equity Security Holders