

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

IN RE:)	Chapter 11
)	
VINCE'S BLACK TIE, INC.,)	No.17-36681
)	
Debtor.)	Hon. Donald Cassling

DISCLOSURE STATEMENT

Introduction

VINCE'S BLACK TIE, INC. ("VINCE'S BLACK TIE"), the Debtor and Debtor-in-Possession in the above-captioned Chapter 11 case, submits this Disclosure Statement (the "Disclosure Statement") pursuant to Section 1125 of the Bankruptcy Code (the "Code"), to all of the Debtor's Creditors and Equity Security Holder, in order to disclose material information sufficient to enable them to make an informed decision in exercising their right to vote for acceptance or rejection of the Debtor's Plan of Liquidation ("the Plan") dated June 8, 2018. On _____ at ____ a.m., a hearing to consider the adequacy of the Disclosure Statement will be held by the Court or by any other judge sitting in the Court's place, in Courtroom 619, of the United States Courthouse, 219 S. Dearborn, Chicago, Illinois. Throughout this Disclosure Statement, the Debtor refers to terms that have been specifically defined in the Plan. Those definitions are incorporated by reference into this Disclosure Statement. Therefore, to fully understand this Disclosure Statement, Creditors must review the Plan.

**Article I
Plan Summary**

1.1 Overview of Claims and Equity Interest: The following table briefly summarizes the classification and treatment of Claims and Equity Interests:

Creditor - Equity Interest	Amount (Approx)	Proposed Treatment Under Plan
Class 1 - Administrative and Expense Claims	\$100,000	Paid in full in cash
Class 2 - Secured Claims	\$100,000	Impaired
Class 3 - Priority Tax Claims	\$150,000	Impaired
Class 4 - Unsecured Claims	\$250,000	Impaired
Class 6 - Equity Holder		Impaired - Cancelled

Attached hereto as Exhibit 2 are the Debtor's estimates of Claims to be treated under the Plan. The following describes the treatment of each Class of Claims and Interests under the Plan.

1.2 Specific Treatment of Claims.

The Plan provides for the following specific treatment of the Claims of the Debtor's Creditors and Equity Security Holders:

1.2.1 Class 1. Claims [Administrative Claims]. All debts incurred during the Bankruptcy Case, but as yet unpaid, will be paid in full upon the Effective Date or as otherwise agreed upon by the Creditor. These include the Claims of: (i) the Debtor's attorneys and accountants and the U.S. Trustee's fees and post-petition rent claims. The exact amount of these Claims is not known at this time; however, for purposes of this Disclosure Statement they have been estimated at \$100,000.

1.2.2 Class 2 Claims [Secured Claims]:

1.2.2.1 The Holder of each Class 2 Claim shall be paid from the liquidation of the collateral securing its Debt. Any deficiency shall be treated as an Allowed Deficiency claim and will be paid, pro rata with all other Class 4 Claims.

1.2.3 Class 3 Claims [Priority Tax Claims]. Class 3 Claims will be paid pursuant to the priority allowed under §507(a)(8) of the Bankruptcy Code.

1.2.4 Class 4 Claims [General Unsecured Claims]. Class 4 Claims will be paid in accordance with §726 of the Bankruptcy Code.

1.2.5 Class 5 [Shareholder's Equity Security in the Debtor]. The 100% common stock interests of Vincent P. Genova shall be cancelled and therefore his interest is impaired.

1.3.1 Disbursement Account. Upon the Effective Date, the Liquidating Trustee will establish an interest bearing Disbursement Account in a United States Trustee Authorized Depository Bank. The Liquidating Trustee will deposit all liquidation proceeds into the Disbursement Account and will thereafter make the disbursements as provided above.

1.3.2 Plan Disbursing Agent. Liquidating Trustee will serve as the Disbursing Agent for the Plan and will make payments called for in accordance with the provisions of the Plan.

1.3.3 Executory Contracts. On the Effective Date, all contracts and leases, if not previously rejected, shall be deemed rejected under §365 of the Bankruptcy Code.

1.3.4 Retention of Claims. Any claims or interest belonging to the Debtor shall be retained and vested in the Liquidating Trustee who may enforce any such claims or interest, or may settle or adjust any such claim or interest.

Article II Voting On The Plan

2.1 Purpose of Disclosure Statement. This Disclosure Statement, the Plan, and a ballot for holders of impaired Claims to vote to accept or reject the Plan are being sent to all known actual or potential holders of Claims, irrespective of the validity of the underlying Claims. The receipt by a Creditor of the Plan and Disclosure Statement does not mean that the recipient has a Claim or that the Claim has been allowed.

The purpose of this Disclosure Statement is to provide each Creditor and the Equity Security Holder with a description of the Plan and other information to aid it in making an informed decision as to whether to accept the Plan. Creditors may vote on the Plan by filling out and mailing the accompanying ballot. The Court has scheduled a hearing on confirmation for _____ at _____ a.m., to be held by the Court or by any other judge sitting in the Court's place, in Courtroom 619, of the United States Courthouse, 219 S. Dearborn, Chicago, Illinois. The hearing may be continued from time to time with no additional notice except as given in open Court. At the confirmation hearing, the Court will enter an order confirming the Plan if requisite acceptances of the Plan have been received and the full statutory requirements have been met. The information contained in this Disclosure Statement has been submitted by the Debtor unless specifically stated to be from other sources.

This Disclosure Statement contains a brief summary of the Plan and is not intended to take the place of the Plan. The Plan should be read carefully in conjunction with this Disclosure Statement in order for Creditors to formulate an opinion as to the Plan's implications and effect on each Creditor's rights, and

in order to formulate an opinion as to whether to accept or reject the Plan. The ability of the Debtor to consummate the Plan is based on certain assumptions regarding future events. Neither the Debtor nor its attorneys represent or warrant the accuracy of any factual or legal representations contained herein or in the Plan.

2.2 No Other Plan Information Authorized. The Plan itself and this Disclosure Statement are the only information authorized by the Debtor or the Court to be distributed to Creditors. No representations concerning the Debtor are authorized other than as set forth herein. In deciding whether to accept the Plan, you should not rely upon any representations or inducements made to secure your acceptance other than the representations contained in the Plan and this Disclosure Statement.

2.3 Voting on the Plan. Code section 1126 provides that at least two-thirds in amount and more than one-half in number of the allowed Claims against the Debtor voting in each Class of impaired Creditors must accept the Plan for the Plan to be confirmed by the Court. Only members of impaired Classes are entitled to vote on a Plan. Classes 2, 3, and 4, are impaired. Class 5 is presumed to have rejected the Plan. A ballot is enclosed with the Court's order setting the hearing on Confirmation of the Plan. Any Creditor holding an impaired Claim wishing to vote to accept or reject the Plan must complete, date, sign and return the ballot to the clerk of bankruptcy court:

Clerk of Bankruptcy Court
219 South Dearborn Street
Chicago, Illinois 60604

Article III

The Debtor's Operations and History

3.1 The Debtor's Operations. The Debtor is an Illinois corporation which was founded in 2004 and provided retail customers with formalwear rentals. The Debtor catered to the upscale end of the apparel business and operated out of eight (8) different retail locations and one (1) warehouse all situated in the Chicago land area. The company was operated by its founder and sole principal, Vincent P. Genova. At one point the Debtor's annual revenues averaged around \$2,300,000. However, in recent years the Debtor's revenues diminished for several reasons: (1) the tuxedo rental industry experienced a decline in business because of the increased popularity of men wearing suits instead of tuxedos as wedding wear; (2) one of the Debtor's key sources in providing leads for parties interested in renting formal significantly reduced the number of leads provided to the Debtor; and (3) new online formal wear providers have significantly cut into the Debtor's market share and prohibitively increased the cost of obtaining customers from the internet. Because of the drop in revenues, the Debtor's mounting debt and the inability to meet its current operating expenditures, the company filed for protection under Chapter 11 of the Bankruptcy Code on December 11, 2017.

Article IV The Chapter 11 Case

4.1 Filing of the Reorganization Case. December 11, 2017, the Debtor's Chapter 11 case was commenced, when the Debtor filed its voluntary petition seeking relief under Chapter 11 of the United States Bankruptcy Code.

4.2 Administration of the Reorganization Case. Since the commencement of the Debtor's Chapter 11 Case, the Debtor has operated under the jurisdiction of the Bankruptcy Court pursuant to the provisions of the Bankruptcy Code. On February 8, 2018, pursuant to Section 363 of the Bankruptcy Code, the Court entered an Order approving the sale of substantially all of the Debtor's assets free and clear of liens to GRJ Enterprises, LLC. The Order also permitted the assumption and assignment of certain leases of non-residential real estate. The closing of the sale occurred on March 8, 2018, and the Debtor received the sum of \$250,000.

During the pendency of the Bankruptcy Case, the Debtor has filed monthly reports. The Office of the United States Trustee, a branch of the Justice Department, has overseen the administration of the Debtor's Case to ensure that the Debtor has complied with the filing and reporting requirements of that office. Those duties of the Office of the United States Trustee, however, should not be confused with those of the Court, which passes on legal issues presented by Bankruptcy Case, some of which issues, could of course involve a debtor's compliance with the administrative and reporting requirements described herein.

Article V Feasibility Of The Plan

5.1 Asset Recovery. Substantially all of the debtor's tangible assets, such as its equipment, and inventory, were sold to GRJ Enterprises, Inc., pursuant to the Court's order dated February 8, 2018 for \$250,000. Pursuant to the Court's order any valid liens and encumbrances on or against the assets attached to the sale proceeds. Presently, it is unclear whether any creditor has a valid security interest which attached to the proceeds of sale.

5.2 Avoidance Actions. Debtor has commenced eight (8) separate preference actions pursuant to Section 547 of the Bankruptcy Code to recover the sum of approximately \$205,000.00 in pre-petition payments to creditors within the ninety (90) days preceding the filing of the Bankruptcy Petition.

Article VI Alternatives To The Proposed Plan

6.1 Conversion to a Liquidation Case the Likely Alternative. The alternative to the Plan, as proposed, would be conversion of the Chapter 11 Case to Chapter 7 Case and the appointment or election of a Trustee to liquidate the assets. The Debtor believes that because of the substantial legal work performed in this case as well as his familiarity with the issues in this matter, the Liquidating Trustee can liquidate the assets and file the appropriate bankruptcy and other causes of action far more efficiently and effectively than a newly appointed Chapter 7 Trustee.

Article VII
Debtor's Right to Amend Plan

7.1 In the event that the Debtor fails to confirm the Plan of Reorganization, Debtor reserves the right to propose an Amended Plan of Reorganization.

Article VIII
Debtor's Recommendation

8.1 **Debtor's Recommendation.** The Debtor believes that it is in the best interest of the Estate, its Creditors and its Equity Security Holder for the proposed Plan to be approved and, as such, the Debtor urges its creditors to cast ballots to accept the Plan.

Dated: June 8, 2018

VINCE'S BLACK TIE, INC.
Debtor and Debtor-in-Possession

By: /s/ David R Herzog
One of its Attorneys

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Exhibit 1

The Plan

Filed Separately

Exhibit 2
Summary of Claims

The following is the Debtor's Estimate of the amounts of the various Classes of Claims and Equity Security treated under the Plan:

Creditors - Equity Security Holder	Amount Due (Approx)
Class 1 - Administrative and Expense Claims	\$100,000.00
Class 2- Secured Claims	\$100,000.00
Class 4 - Priority Tax Claims	\$150,000.00
Class 5 - Unsecured Claims	\$250,000.00
Class 6 - Equity Holder	N/A