



## **Century 21 Stores to Commence Wind Down of Retail Operations**

*Customers Can Continue to Shop In-Store and Online at Going Out of Business Sales*

*Wind Down Precipitated by Business Interruption Insurers' Failure to Pay on Policies*

New York, NY, September 10, 2020 – Century 21 Stores, a pioneer of off-price retail, today announced plans to commence a wind down of its retail operations and going out of business sales at its 13 stores across New York, New Jersey, Pennsylvania, and Florida after serving customers for nearly 60 years. The decision follows nonpayment by the Company's insurance providers of approximately \$175 million due under policies put in place to protect against losses stemming from business interruption such as that experienced as a direct result of the COVID-19 pandemic.

"While insurance money helped us to rebuild after suffering the devastating impact of 9/11, we now have no viable alternative but to begin the closure of our beloved family business because our insurers, to whom we have paid significant premiums every year for protection against unforeseen circumstances like we are experiencing today, have turned their backs on us at this most critical time," said Century 21 co-CEO Raymond Gindi. "While retailers across the board have suffered greatly due to COVID-19, and Century 21 is no exception, we are confident that had we received any meaningful portion of the insurance proceeds, we would have been able to save thousands of jobs and weather the storm, in hopes of another incredible recovery."

To accomplish an orderly wind down in the most efficient manner to maximize the value of its assets for the benefit of its stakeholders, the Company voluntarily filed for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. Concurrently, the Company is removing to the Bankruptcy Court a lawsuit pending in the Supreme Court of the State of New York against several of its insurance providers based on their failure to compensate the Company for its losses under the policies. The Company is requesting that the Bankruptcy Court expedite the adjudication of the suit for the benefit of its stakeholders.

"Since 1961, when Al and Sonny Gindi opened what was then a small store in Downtown Manhattan, we have been proud to provide shoppers with unmatched access to designer brands at amazing prices," said Century 21 co-CEO IG Gindi. "While we wish that Century 21 could continue to be a must-see shopping destination for so many, we are proud of the pioneering role it has played in off-price retail and the iconic brand it has become. It has been a true honor for us to be part of the vibrant New York City fashion scene and to serve millions of locals, tourists, and celebrities, side by side."

Raymond and IG Gindi concluded, "From the bottom of our hearts, we thank all of our dedicated and hardworking team members for their countless contributions, including continuing to give 100% throughout this pandemic to take care of our customers and each other. We will be forever grateful for the vital role they played in building the Century 21 legacy hand in hand with our family. Together, we hope we can help our loyal customers create some final memorable Century Stories."

Century 21 stores are currently open to serve customers. The Company is commencing going out of business sales at all of its locations and at [c21stores.com](https://www.c21stores.com). Shoppers will be able to take advantage of even deeper discounts on the designer brands they love throughout the stores and, for a limited time, online. Customers are encouraged to shop now while merchandise selection is best. The Company will continue to take necessary precautions to keep its stores safe for customers and employees.

The Company has filed with the Bankruptcy Court customary motions seeking authority to commence going out of business sales and uphold its commitments to customers and employees. The Company's lenders have consented to the use of cash collateral which, subject to Bankruptcy Court approval, will provide the liquidity necessary to support operations through the planned store closures.

Additional information, including Bankruptcy Court filings and information about the claims process, is available at <https://cases.stretto.com/Century21>. Vendors and suppliers with questions can call a dedicated call center at (855) 541-2858 (toll-free) or (949) 504-4528 (international) or email [Century21Inquiries@stretto.com](mailto:Century21Inquiries@stretto.com).

Proskauer Rose LLP is serving as legal counsel to the Company. The Company has hired BRG as its financial advisor. In addition, Brian Cashman of BRG is serving as the Company's Chief Restructuring Officer (CRO). The Company has retained Hilco Merchant Resources, LLC to assist with going out of business sales.

### **About Century 21 Stores**

Century 21 has been a New York City icon for nearly 60 years, legendary for its exceptional offering of designer brands at amazing prices. A pioneer and leader in high-end, off-price fashion retail, Century 21 offers men's, women's, and children's apparel, footwear, outerwear, lingerie, and accessories, along with beauty and home goods, at select stores and online at [c21stores.com](http://c21stores.com). The retailer is headquartered in Downtown Manhattan, with additional locations in New York, New Jersey, Pennsylvania, and Florida. For updated store hours, visit [c21stores.com/stores](http://c21stores.com/stores). Follow Century 21 on [facebook.com/century21stores](https://www.facebook.com/century21stores) and [@Century21stores](https://twitter.com/Century21stores) on Twitter and Instagram.

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