

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

Quarterly Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For the Quarterly Period  
Ended November 1, 2008

Commission File Number 0-15898

**CASUAL MALE RETAIL GROUP, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

04-2623104  
(IRS Employer Identification No.)

555 Turnpike Street, Canton, MA  
(Address of principal executive offices)

02021  
(Zip Code)

(781) 828-9300  
(Registrant's telephone  
number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company)  
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of common stock outstanding as of November 15, 2008 was 41,424,336.

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**CASUAL MALE RETAIL GROUP, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share data)

	<u>November 1, 2008</u> (unaudited)	<u>February 2, 2008</u>
<b>ASSETS</b>		
<i>Current assets:</i>		
Cash and cash equivalents	\$ 5,848	\$ 5,293
Accounts receivable	1,910	2,813
Inventories	130,327	117,787
Deferred income taxes	4,499	8,885
Prepaid expenses and other current assets	12,307	11,503
Total current assets	154,891	146,281
Property and equipment, net of accumulated depreciation and amortization	59,436	62,156
<i>Other assets:</i>		
Goodwill	63,057	60,660
Other intangible assets	35,990	35,191
Deferred income taxes	24,405	19,732
Other assets	1,149	1,341
Total assets	<u>\$ 338,928</u>	<u>\$ 325,361</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<i>Current liabilities:</i>		
Current portion of long-term debt	\$ 4,874	\$ 4,874
Current portion of deferred gain on sale-leaseback	1,465	1,465
Accounts payable	35,302	34,187
Accrued expenses and other current liabilities	24,801	23,808
Notes payable	57,873	40,978
Total current liabilities	124,315	105,312
<i>Long-term liabilities:</i>		
Deferred gain on sale-leaseback, net of current portion	23,813	24,912
Long-term debt, net of current portion	8,794	12,450
Other long-term liabilities	538	746
Total liabilities	157,460	143,420
<i>Stockholders' equity:</i>		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, none outstanding at November 1, 2008 and February 2, 2008	—	—
Common stock, \$0.01 par value, 75,000,000 shares authorized, 52,301,941 and 52,266,840 shares issued at November 1, 2008 and February 2, 2008, respectively	523	523
Additional paid-in capital	273,076	271,354
Accumulated deficit	(2,054)	(835)
Treasury stock at cost, 10,877,439 shares at November 1, 2008 and February 2, 2008	(87,977)	(87,977)
Accumulated other comprehensive loss	(2,100)	(1,124)
Total stockholders' equity	181,468	181,941
Total liabilities and stockholders' equity	<u>\$ 338,928</u>	<u>\$ 325,361</u>

*The accompanying notes are an integral part of the consolidated financial statements.*

**CASUAL MALE RETAIL GROUP, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per share data)

(Unaudited)

	For the three months ended		For the nine months ended	
	November 1, 2008	November 3, 2007	November 1, 2008	November 3, 2007
Sales	\$ 100,009	\$ 106,097	\$ 321,126	\$ 330,257
Cost of goods sold, including occupancy costs	57,796	59,567	179,236	180,273
Gross profit	42,213	46,530	141,890	149,984
Expenses:				
Selling, general and administrative	42,742	44,002	129,547	130,219
Depreciation and amortization	4,144	4,470	12,419	12,688
Total expenses	46,886	48,472	141,966	142,907
Operating income (loss)	(4,673)	(1,942)	(76)	7,077
Other income, net	134	99	396	374
Interest expense, net	(798)	(1,254)	(2,352)	(3,130)
Income (loss) from continuing operations before income taxes	(5,337)	(3,097)	(2,032)	4,321
Provision (benefit) for income taxes	(2,135)	(1,239)	(813)	1,726
Income (loss) from continuing operations	(3,202)	(1,858)	(1,219)	2,595
Loss from discontinued operations, net of taxes	—	(1,963)	—	(2,818)
Net loss	\$ (3,202)	\$ (3,821)	\$ (1,219)	\$ (223)
Net loss per share—basic and diluted				
Income (loss) from continuing operations	\$ (0.08)	\$ (0.04)	\$ (0.03)	\$ 0.06
Loss from discontinued operations	\$ 0.00	\$ (0.05)	\$ 0.00	\$ (0.07)
Net loss per share—basic and diluted	\$ (0.08)	\$ (0.09)	\$ (0.03)	\$ (0.01)
Weighted average number of common shares outstanding				
— basic	41,414	41,672	41,403	41,823
— diluted	41,414	41,672	41,403	41,823

*The accompanying notes are an integral part of the consolidated financial statements.*

**CASUAL MALE RETAIL GROUP, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)  
(Unaudited)

	Nine Months Ended	
	November 1, 2008	November 3, 2007
Cash flows from operating activities:		
Net loss	\$ (1,219)	\$ (223)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:		
Loss from discontinued operations, net of tax	—	2,818
Depreciation and amortization	12,419	12,688
Amortization of deferred gain from sale-leaseback	(1,099)	(1,099)
Issuance of common stock to Board of Directors	126	128
Stock based compensation expense	1,596	1,350
Loss from disposal of property and equipment	126	22
Changes in operating assets and liabilities:		
Accounts receivable	507	(548)
Inventories	(12,538)	(25,808)
Prepaid expenses	(804)	(1,966)
Other assets	117	(400)
Accounts payable	1,113	3,077
Income taxes payable	(287)	(1,956)
Accrued expenses and other current liabilities	642	(3,769)
Net cash provided by (used for) operating activities	<u>699</u>	<u>(15,686)</u>
Cash flows from investing activities:		
Additions to property and equipment	(9,446)	(16,222)
Payment of Rochester earn-out provision	(1,333)	(1,333)
Acquisition of Dahle Big and Tall stores	(3,000)	—
Net proceeds from sale of subsidiary, LP Innovations, Inc.	396	275
Net cash used for investing activities	<u>(13,383)</u>	<u>(17,280)</u>
Cash flows from financing activities:		
Net borrowings under credit facility	16,895	58,652
Proceeds from secured note	—	17,376
Principal payments on long-term debt	(3,656)	(1,775)
Repurchase of common stock	—	(49,407)
Issuance of common stock under option program and warrants	—	10,504
Net cash provided by financing activities	<u>13,239</u>	<u>35,350</u>
Net change in cash and cash equivalents	555	2,384
Cash and cash equivalents:		
Beginning of the period	5,293	5,325
End of the period	<u>\$ 5,848</u>	<u>\$ 7,709</u>

*The accompanying notes are an integral part of the consolidated financial statements.*

**CASUAL MALE RETAIL GROUP, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

For the nine months ended November 1, 2008

(In thousands)

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated deficit	Accumulated other comprehensive loss	Total
	Shares	Amounts		Shares	Amounts			
Balance at February 2, 2008	<u>52,267</u>	<u>\$ 523</u>	<u>\$ 271,354</u>	<u>(10,877)</u>	<u>\$ (87,977)</u>	<u>\$ (835)</u>	<u>\$ (1,124)</u>	<u>\$ 181,941</u>
Stock-based compensation expense			1,596					1,596
Board of Directors compensation	35	—	126					126
Other comprehensive loss—foreign currency							(976)	(976)
Net loss						(1,219)		(1,219)
Total comprehensive loss								(2,195)
Balance at November 1, 2008	<u>52,302</u>	<u>\$ 523</u>	<u>\$ 273,076</u>	<u>(10,877)</u>	<u>\$ (87,977)</u>	<u>\$ (2,054)</u>	<u>\$ (2,100)</u>	<u>\$ 181,468</u>

*The accompanying notes are an integral part of the consolidated financial statements.*

**CASUAL MALE RETAIL GROUP, INC.**  
**Notes to Consolidated Financial Statements**

**1. Basis of Presentation**

In the opinion of management of Casual Male Retail Group, Inc., a Delaware corporation (the "Company"), the accompanying unaudited consolidated financial statements contain all adjustments necessary for a fair presentation of the interim financial statements. These financial statements do not include all disclosures associated with annual financial statements and, accordingly, should be read in conjunction with the notes to the Company's audited consolidated financial statements for the fiscal year ended February 2, 2008 included in the Company's Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission on March 26, 2008.

The information set forth in these statements may be subject to normal year-end adjustments. The information reflects all adjustments that, in the opinion of management, are necessary to present fairly the Company's results of operations, financial position and cash flows for the periods indicated. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's business historically has been seasonal in nature, and the results of the interim periods presented are not necessarily indicative of the results to be expected for the full year.

The Company's fiscal year is a 52- or 53- week period ending on the Saturday closest to January 31. Fiscal 2008 is a 52-week period ending on January 31, 2009. Fiscal 2007 was a 52-week period ending on February 2, 2008.

Prior Year Reclassifications

Results for the third quarter and first nine months of fiscal 2007 have been restated to reflect the operating results of the Company's Jared M. business as discontinued operations. See Note 5, "Discontinued Operations."

Segment Information

The Company reports its operations as one reportable segment, Big & Tall Men's Apparel, which consists of two operating segments—Casual Male and Rochester. The Company considers its operating segments to be similar in terms of economic characteristics, production processes and operations, and have therefore aggregated them into a single reporting segment.

Goodwill

The Company accounts for goodwill pursuant to SFAS No. 141, *Business Combinations*, and SFAS No. 142, *Goodwill and Other Intangible Assets*. Pursuant to SFAS 142, at least annually, the Company evaluates goodwill, based on its two separate reporting units, its Casual Male business and its Rochester operating segments, by comparing the current carrying value of net assets with the fair value of the reporting units. The goodwill assigned to each reporting unit represents the initial purchase price allocation to goodwill as a result of their respective acquisitions. Total goodwill at November 1, 2008 was \$63.1 million and was comprised of \$53.4 million related to the Casual Male business and \$9.7 million related to the Rochester business.

Given that the Company's market capitalization has been less than its book value for approximately 60 days indicating a potential devaluation of the Company's assets, the Company has performed an interim goodwill impairment assessment under SFAS 142. The Company has determined that no impairment has occurred as of November 1, 2008 based upon a set of assumptions regarding discounted future cash flows, which represent the Company's best estimate of future performance at this time. The Company has qualitatively reconciled the aggregate estimated fair value of the reporting units to the market capitalization of the consolidated Company. In addition to traditional control premiums, the Company noted several factors that have led to a difference between the market capitalization and the fair value of the Company, including (i) the Company's stock is thinly traded and primarily owned by institutional investors which can significantly impact the value of the stock when significant blocks are sold, as occurred in the third quarter; (ii) uncertainty regarding the Company's liquidity and operating results as results have not been reported since the second quarter; and (iii) the overall market conditions which have depressed the stock value. Based on these factors, the Company concluded that the market capitalization does not represent the fair value of the Company.

However, as the Company's fourth quarter is ordinarily a very significant quarter, generating 30% of its total sales and 54% of its operating income over the past two fiscal years, the business trends of the fourth quarter could alter the assumptions made with respect to future cash flows. The Company will perform its annual impairment assessment at the end of the fourth quarter of fiscal 2008. If there is an impairment, the non-cash charge associated with the impairment could result in a substantial reduction in the carrying value of these assets.

### Stock-based Compensation

The Company accounts for stock-based compensation pursuant to the provisions of Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* (SFAS 123R), which requires that all share-based payments, including grants of employee stock options, be recognized as an expense in the statement of operations based on their fair values and vesting periods. The fair value of stock options is determined using the Black-Scholes valuation model and requires the input of subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them (the "expected term"), the estimated volatility of the Company's common stock price over the expected term and the number of options that will ultimately not complete their vesting requirements ("forfeitures"). As required under the accounting rules, the Company reviews its valuation assumptions at each grant date and, as a result, is likely to change its valuation assumptions used to value employee stock-based awards granted in future periods. The values derived from using the Black-Scholes model are recognized as expense over the vesting period, net of estimated forfeitures. The estimation of stock-based awards that will ultimately vest requires significant judgment. Actual results, and future changes in estimates, may differ from the Company's current estimates.

For the first nine months of fiscal 2008 and fiscal 2007, the Company recognized total compensation expense of \$1.6 million and \$1.4 million, respectively. The total compensation cost related to non-vested awards not yet recognized as of November 1, 2008 is approximately \$3.0 million which will be expensed over a weighted average remaining life of 24 months.

### Valuation Assumptions for Stock Options

For the first nine months of fiscal 2008 and fiscal 2007, 1.1 million and 0.8 million stock options were granted, respectively. The weighted-average exercise price of the 1.1 million stock options was \$4.45 per share. The fair value of each option was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used for grants for the nine months ended November 1, 2008 and November 3, 2007:

	<u>November 1, 2008</u>	<u>November 3, 2007</u>
Expected volatility	45.0%	40.0%
Risk-free interest rate	2.39% – 3.15%	4.07% – 4.85%
Expected life	3.0 – 4.5 yrs	2.0 – 4.5 yrs.
Dividend rate	—	—

Expected volatilities are based on historical volatilities of the Company's common stock; the expected life represents the weighted average period of time that options granted are expected to be outstanding giving consideration to vesting schedules and historical exercise patterns; and the risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the option.

There were no material exercises of options or warrants during the first nine months of fiscal 2008.

## **2. Debt**

### ***Credit Agreement with Bank of America Retail Group, Inc.***

At November 1, 2008, the Company had outstanding borrowings of \$57.9 million under its credit facility, as most recently amended December 20, 2007, with Bank of America, N.A. (the "Credit Facility"). The maturity date of the Credit Facility is October 29, 2011. Outstanding standby letters of credit were \$2.2 million and outstanding documentary letters of credit were \$0.9 million. Average monthly borrowings outstanding under this facility during the first nine months of fiscal 2008 were approximately \$50.6 million, resulting in an average unused excess availability of approximately \$43.8 million. Unused excess availability at November 1, 2008 was \$46.7 million. The Company's obligations under the Credit Facility are secured by a lien on all of its assets. The Company is not subject to any financial covenants pursuant to this Credit Facility.

The fair value of amounts outstanding under the Credit Facility approximates the carrying value at November 1, 2008. At the Company's option, any portion of the outstanding borrowings can be converted to LIBOR-based contracts; the remainder bears interest based on prime. At November 1, 2008, the prime-based interest rate was 4.00%. The Company had approximately \$10.0 million of its outstanding borrowings in a LIBOR-based contract with an interest rate of 5.22%. The LIBOR-based contract expired November 11, 2008.

#### **Master Loan and Security Agreement with Banc of America Leasing & Capital, LLC**

On July 20, 2007, the Company entered into a Master Loan and Security Agreement (the "Master Agreement") with Banc of America Leasing & Capital, LLC ("BALC") for equipment financing. In conjunction with the Master Agreement, the Company entered into an Equipment Security Note (the "First Secured Note"), whereby it borrowed an aggregate of \$17.4 million from BALC. The First Secured Note is due July 20, 2011.

On January 16, 2008, the Company entered into a second Equipment Security Note (the "Second Secured Note") pursuant to the same terms and provisions of the Master Agreement, whereby it borrowed an additional \$2.1 million. The Second Secured Note is due January 16, 2012.

Both secured notes accrue interest at a per annum rate of 1.75% plus the rate of interest equal to the 30-day published LIBOR rate. Principal and interest, in arrears, are payable monthly, commencing one month after issuance of such note. At November 1, 2008, the outstanding balance of the secured notes was \$13.7 million.

Both notes are secured by a security interest in all of the Company's rights, title and interest in and to certain equipment. The Company is not subject to any financial covenants pursuant to the Master Agreement.

### **3. Equity**

#### Earnings per Share

The following table provides a reconciliation of the number of shares outstanding for basic and diluted earnings per share:

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	<u>November 1, 2008</u>	<u>November 3, 2007</u>	<u>November 1, 2008</u>	<u>November 3, 2007</u>
<i>(in thousands)</i>				
<b>Common Stock Outstanding</b>				
Basic weighted average common shares outstanding	41,414	41,672	41,403	41,823
Common Stock Equivalents (1)	—	—	—	—
Diluted weighted average common shares outstanding	<u>41,414</u>	<u>41,672</u>	<u>41,403</u>	<u>41,823</u>

- (1) Common stock equivalents, which consisted of stock options and warrants, were excluded from the calculation of diluted weighted average common shares outstanding because the effect was anti-dilutive. Common stock equivalents were 221 shares and 1,447 shares for the three months ended November 1, 2008 and November 3, 2007, respectively, and 260 shares and 1,800 shares for the nine months ended November 1, 2008 and November 3, 2007, respectively.



The following potential common stock equivalents were excluded from the computation of diluted earnings per share in each period because the exercise price of such options and warrants was greater than the average market price per share of common stock for the respective periods.

	For the three months ended		For the nine months ended	
	November 1, 2008	November 3, 2007	November 1, 2008	November 3, 2007
<i>(in thousands, except exercise prices)</i>				
Options	5,290	980	4,850	621
Warrants	1,058	—	1,058	—
Range of exercise prices of such options and warrants	\$3.88 – \$12.35	\$10.15 – \$12.35	\$3.98 – \$12.35	\$11.15 – \$12.35

The above options, which were outstanding and out-of-the-money at November 1, 2008, expire from May 25, 2011 to August 12, 2018.

#### 4. Income Taxes

At November 1, 2008, the Company had total gross deferred tax assets of approximately \$28.9 million, with a corresponding valuation allowance of \$1.2 million. These tax assets principally relate to federal net operating loss carryforwards that expire from 2018 through 2024 and to a lesser extent book/tax timing differences. The valuation allowance is for losses associated with the Company's Canada operations and certain state net operating losses, the benefit of which may not be recognized due to short carryforward periods.

The Company complies with FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"). A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The charge for taxation is based on the results for the year as adjusted for items that are non-assessable or disallowed. The charge is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Pursuant to FIN 48, the Company will recognize the benefit from a tax position only if it is more likely than not that the position would be sustained upon audit based solely on the technical merits of the tax position. At November 1, 2008, the Company had no material unrecognized tax benefits based on the provisions of FIN 48.

The Company is subject to U.S. federal income tax as well as income tax of multiple state and foreign jurisdictions. The Company has concluded all U.S. federal income tax matters for years through fiscal 1997, with remaining fiscal years subject to income tax examination by federal tax authorities.

The Company's policy is to recognize accrued interest and penalties related to unrecognized tax benefits in its income tax provision. The Company has not accrued or paid interest or penalties which were material to its results of operations for the first nine months of fiscal 2008.

#### 5. Discontinued Operations

During the fourth quarter of fiscal 2007, the Company exited its Jared M. operations, and therefore results for the third quarter and first nine months of fiscal 2007 have been reclassified to reflect the operating results of the Company's Jared M. business as discontinued operations.

During the first quarter of fiscal 2008, the Company sold its Jared M. business to a third party for a cash purchase price of \$250,000. No material gain or loss was recognized on the sale.

The following table summarizes the results from discontinued operations from the Jared M. business for the third quarter and first nine months of fiscal 2007:

<i>(in millions)</i>	For the three months ended November 3, 2007	For the nine months ended November 3, 2007
Sales	\$ 0.5	\$ 1.8
Gross margin(1)	(0.6)	0.0
Selling, general and administrative expenses	(0.9)	(2.9)
Provision for impairment of assets and employment contract terminations(1)	(1.7)	(1.7)
Depreciation and amortization	(0.1)	(0.1)
	(3.3)	(4.7)
Benefit from income taxes	(1.3)	(1.9)
Loss from discontinued operations, net of taxes	<u>\$ (2.0)</u>	<u>\$ (2.8)</u>

(1) During the third quarter of fiscal 2007, the Company recorded a total non-cash charge of \$2.6 million relating to the impairment of fixed assets, the write-down of inventory and the write-off of certain other asset accounts. Of the \$2.6 million, approximately \$0.9 million related to the write-down of inventory and is included as a reduction in gross margin for the three and nine months ended November 3, 2007.

## 6. Accounting Pronouncements

In December 2007, the FASB issued FAS No. 141 (revised 2007), *Business Combinations*, ("FAS 141R"), which changes how business combinations are accounted for and will impact financial statements both on the acquisition date and in subsequent periods. FAS 141R is effective January 1, 2009, and will be applied prospectively. The impact of adopting FAS 141R will depend on the nature and terms of future acquisitions.

In December 2007, the FASB issued FAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements* ("FAS 160"), which changes the accounting and reporting standards for the noncontrolling interests in a subsidiary in consolidated financial statements. FAS 160 recharacterizes minority interests as noncontrolling interests and requires noncontrolling interests to be classified as a component of shareholders' equity. FAS 160 is effective January 1, 2009 and requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. The Company does not expect FAS 160 to have a material impact on its consolidated financial statements.

**FORWARD-LOOKING STATEMENTS**

Certain statements contained in this Quarterly Report on Form 10-Q constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "may," "will," "estimate," "intend," "plan," "continue," "believe," "expect" or "anticipate" or the negatives thereof, variations thereon or similar terminology. The forward-looking statements contained in this Quarterly Report are generally located in the material set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations," but may be found in other locations as well. These forward-looking statements generally relate to plans and objectives for future operations and are based upon management's reasonable estimates of future results or trends. The forward-looking statements in this Quarterly Report should not be regarded as a representation by us or any other person that our objectives or plans will be achieved. Numerous factors could cause our actual results to differ materially from such forward-looking statements. We encourage readers to refer to Part I, Item 1A of our Annual Report on Form 10-K for the year ended February 2, 2008, filed with the Securities and Exchange Commission on March 26, 2008, and Part II, Item 1A of this Quarterly Report which identify certain risks and uncertainties that may have an impact on our future earnings and the direction of our Company.

All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the foregoing. These forward-looking statements speak only as of the date of the document in which they are made. We disclaim any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances in which the forward-looking statement is based.

**BUSINESS SUMMARY**

Casual Male Retail Group, Inc. together with our subsidiaries is the largest specialty retailer of big & tall men's apparel with retail operations throughout the United States, Canada and London, England. We operate 473 Casual Male XL retail and outlet stores, 27 Rochester Big & Tall stores and a direct to consumer business, which includes several catalogs and e-commerce sites.

Unless the context indicates otherwise, all references to "we," "ours," "our," "us" and "the Company" refer to Casual Male Retail Group, Inc. and its consolidated subsidiaries. We refer to our fiscal years which end on January 31, 2009 and February 2, 2008 as "fiscal 2008" and "fiscal 2007," respectively.

When discussing sales growth, we refer to the term "comparable sales." Comparable sales for all periods discussed include our retail stores that have been open for at least one full year together with our e-commerce and catalog sales. Stores that may have been remodeled, expanded or re-located during the period are also included in our determination of comparable sales. We include our direct businesses as part of our calculation of comparable sales because we are a multi-channel retailer, offering our customers convenient alternatives for their shopping. The method of calculating comparative store sales varies across the retail industry and, as a result, our calculation of comparable sales is not necessarily comparable to similarly titled measures reported by other companies.

**RESULTS OF OPERATIONS**

*Financial Summary*

We reported a net loss for the third quarter of fiscal 2008 of \$3.2 million, or \$(0.08) per diluted share, as compared to a net loss of \$3.8 million, or \$(0.09) per diluted share, for the third quarter of fiscal 2007. For the first nine months of fiscal 2008, we had a net loss of \$1.2 million, or \$(0.03) per diluted share, as compared to a net loss of \$0.2 million, or \$(0.01) per diluted share, for the first nine months of fiscal 2007.

Our earnings for fiscal 2008 continue to be negatively impacted by the current economic downturn. As a result, during the third quarter of fiscal 2008, our posture of improving market share, driving sales performance and enhancing overall profitability has been shifted to largely focus on producing free cash flow, managing our inventory and maintaining and improving our liquidity.

From a financial position perspective, we have decreased our inventory position at the end of the third quarter by approximately 6.5% over the prior year third quarter and reduced our capital expenditures by approximately \$6.8 million, or 42%, as compared to the same period of the prior year. Our free cash flow (as defined below under "Presentation of Non-GAAP Measure") for the first nine months approximated a negative \$8.7 million compared to negative free cash flow of \$31.9 million for the same time period last year. At November 1, 2008, total outstanding debt is approximately \$11.9 million less than the prior year third quarter. Our borrowings under our credit facility at November 1, 2008 were \$57.9 million with unused availability under the facility of approximately \$46.7 million compared to November 3, 2007 when our outstanding borrowings under our facility were \$67.2 million and unused availability was \$38.6 million.

Although our primary focus has shifted to maintaining and strengthening our financial condition, we still remain committed to our overall objective to increase our market share, through top line growth by:

- increasing focus on customer service by providing better sales training and development tools to our sales associates to enhance our customer experience;
- improving upon our methodology of planning and allocating appropriate assortments to each store, considering the demographics and lifestyle tendencies of each store location;
- continuing to grow, albeit more deliberately going forward, our direct businesses, including LivingXL, ShoesXL and B&T Factory Direct;
- building our primary brands, Casual Male XL and Rochester, on web sites in the European Union which were launched in the third quarter of fiscal 2008; and
- focusing on building market share within the smaller size component of the big & tall market.

#### Earnings Guidance

Through the second quarter of fiscal 2008, we provided earnings guidance for fiscal 2008 of approximately \$0.22—\$0.27 per diluted share. Based on third quarter results, we do not believe we will achieve these earnings. However, because of the current economic conditions and overall volatility of the markets, we find it difficult to predict our traffic and sales trends with a reasonable degree of certainty to provide revised earnings guidance, and therefore, we will not be providing revised earnings guidance for the fourth quarter and fiscal year 2008.

#### Presentation of Non-GAAP Measure

The presentation of non-GAAP free cash flow is not a measure determined by generally accepted accounting principles ("GAAP") and should not be considered superior to or as a substitute for net income or cash flows from operating activities or any other measure of performance derived in accordance with GAAP. In addition, all companies do not calculate non-GAAP financial measures in the same manner and, accordingly, "free cash flows" presented in this report may not be comparable to similar measures used by other companies. We calculate free cash flows as cash flow from operating activities (\$0.7 million in 2008 and a negative \$15.7 million in 2007) less capital expenditures (\$9.4 million in 2008 and \$16.2 million in 2007). We believe that inclusion of this non-GAAP measure helps investors to gain a better understanding of our performance, especially when comparing such results to previous periods.

#### *Sales*

For the third quarter of fiscal 2008, total sales decreased by 5.7% to \$100.0 million when compared to total sales of \$106.1 million for the third quarter of fiscal year 2007. Comparable sales for the third quarter decreased 5.3% when compared to the same period of the prior year. This decrease consisted of a 6.1% decrease in sales from our direct businesses and a 5.2% decrease in sales from our retail business. Our core business, which includes just our Casual Male and Rochester businesses, had a comparable sales decrease of 5.5% for the third quarter of fiscal 2008.

For the first nine months of fiscal 2008, sales decreased 2.8% to \$321.1 million as compared to \$330.3 million for the first nine months of fiscal 2007. The sales shortfall of \$9.2 million was primarily driven by a decrease in our comparable sales of 2.2%, which includes a comparable sales decrease of 4.0% from our core businesses. Our direct businesses increased 5.6% for the first nine months of fiscal 2008; however, this increase was offset by a decrease of 3.7% in sales from our retail businesses.

Our non-core businesses, which include LivingXL, ShoesXL and B&T Factory Direct, generated sales of \$3.5 million and \$11.6 million for the third quarter and first nine months of fiscal 2008, respectively, as compared to sales of \$3.1 million and \$5.0 million for the third quarter and first nine months of fiscal 2007, respectively.

Negative sales trends continued during the third quarter of fiscal 2008, with our higher-end Rochester business being most affected. In addition, our direct businesses, which had continued to show consistent growth, saw a significant slowdown of that growth during the third quarter. The major driver in our negative sales trends is the lack of store traffic, which was down approximately 10% over the prior year; however, we are continuing to see positive customer conversion rates and steady dollars per transaction rates.

During the second quarter of fiscal 2008, we launched our new mass media campaign aimed towards attracting new customers to our stores and direct businesses, specifically focusing our advertising on our "XL" size customers who may not presently shop Casual Male XL. To further pursue this objective, we are continuing this advertising campaign through the end of fiscal 2008.

#### *Gross Profit Margin*

For the third quarter of fiscal 2008, our gross margin rate, inclusive of occupancy costs, was 42.2% as compared to a gross margin rate of 43.9% for the third quarter of fiscal 2007. The decrease in gross margin rate was the result of a 30 basis point decrease in merchandise margins and a 140 basis point increase in occupancy costs as a percentage of sales. The 140 basis point increase is the result of a relatively fixed occupancy cost over a decreased sales base; actual occupancy costs in dollars increased only 4% over the prior year quarter. The decrease in merchandise margin during the third quarter was negatively affected by: (i) an increase in costs associated with our loyalty program due to increased participation, (ii) increased postage costs from our direct businesses due to increased fuel costs, (iii) increased markdowns on our Rochester merchandise and (iv) a shift in sales mix from our higher margin core business to our lower margin non-core businesses.

For the first nine months of fiscal 2008, our gross margin rate was 44.2% as compared to 45.4% for the first nine months of fiscal 2007. The decrease in margin rate was the result of a 30 basis point decrease in merchandise margin and a 90 basis point increase in occupancy costs. As with the third quarter of fiscal 2008, merchandise margins were negatively impacted by markdowns, a shift in sales mix as well as postage and loyalty program costs.

#### *Selling, General and Administrative Expenses*

Selling, general and administrative ("SG&A") expenses for the third quarter of fiscal 2008 were 42.7% of sales as compared to 41.5% for the third quarter of fiscal 2007. On a dollar basis, SG&A expenses decreased 2.9% for the third quarter of fiscal 2008 as compared to the prior year, with a decrease of 3.0% from our core businesses.

For the first nine months of fiscal 2008, SG&A expenses were 40.3% of sales as compared to 39.4% of sales for the first nine months of fiscal 2007. For the first nine months of fiscal 2008, SG&A costs for our non-core businesses increased \$3.0 million over the same period of the prior year while expenses for our core businesses decreased 2.9%.

With the weakness in sales continuing this quarter, strong expense control has been a significant priority for us and will be for the remainder of the fiscal year. We continue to be committed to managing our SG&A costs, while continuing to invest in our marketing campaigns and growing our direct businesses.

#### *Interest Expense, Net*

Net interest expense was \$0.8 million for the third quarter of fiscal 2008 as compared to \$1.3 million for the third quarter of fiscal 2007. For the first nine months of fiscal 2008, net interest expense was \$2.4 million as compared to \$3.1 million for the prior year. Although average borrowings for the first nine months of fiscal 2008 are slightly higher than the prior year, our total debt outstanding is less at November 1, 2008 and our average interest rate costs are lower due to reduced interest rates. The average interest rate of all of our borrowings at the end of the third quarter of fiscal 2008 approximated 4.2% compared to approximately 6.2% at the end of the third quarter of fiscal 2007. See our "Liquidity and Capital Resources" discussion below.

### *Income Taxes*

As a result of the net operating loss carryforwards available to us, we expect that cash payments for taxes will continue to be minimal at this time. At November 1, 2008, our total gross deferred tax assets were approximately \$28.9 million, with a corresponding valuation allowance of \$1.2 million. These tax assets principally relate to federal net operating loss carryforwards that expire through 2024. The valuation allowance of \$1.2 million is for losses associated with our Canadian operations and certain state net operating losses, the benefit of which may not be recognized due to short carryforward periods.

### *Net Income*

For the third quarter of fiscal 2008, we had a net loss of \$3.2 million, or \$(0.08) per diluted share, as compared to a net loss of \$3.8 million, or \$(0.09) per diluted share, for the third quarter of fiscal 2007. For the nine months ended November 1, 2008, we had a net loss of \$1.2 million, or \$(0.03) per diluted share, as compared to a net loss of \$0.2 million, or \$(0.01) per diluted share, for the nine months ended November 3, 2007. The results for the third quarter and first nine months of fiscal 2007, included a loss from discontinued operations of \$2.0 million, or \$(0.05) per diluted share, and \$2.8 million, or \$(0.07) per diluted share, respectively, related to our Jared M. business, which we exited in the fourth quarter of fiscal 2007. See Note 5 to the Consolidated Financial Statements for more information.

### *Inventory*

At November 1, 2008, total inventory was \$130.3 million compared to \$117.8 million at February 2, 2008 and \$139.4 million at November 3, 2007.

Inventory at the end of the third quarter of fiscal 2008 decreased 6.5% as compared to November 3, 2007. The decrease is the result of reductions of inventory across all divisions as part of managing our inventory levels. We expect our inventory levels at year-end for fiscal 2008 to have a similar inventory decrease over the prior year.

### **SEASONALITY**

Historically and consistent with the retail industry, we have experienced seasonal fluctuations in revenues and income, with increases traditionally occurring during our third and fourth quarters as a result of the “Fall” and “Holiday” seasons.

### **LIQUIDITY AND CAPITAL RESOURCES**

Our primary cash needs are for working capital (essentially inventory requirements) and capital expenditures. Specifically, our capital expenditure program includes projects for new store openings, relocations and remodeling, downsizing or combining existing stores, and improvements and integration of our systems infrastructure. We expect that cash flow from operations, external borrowings and trade credit will enable us to finance our current working capital and expansion requirements. We have financed our working capital requirements, store expansion program, stock repurchase programs and acquisitions with cash flow from operations, external borrowings, and proceeds from equity and debt offerings. Our objective is to maintain a positive cash flow after capital expenditures such that we can support our growth activities with operational cash flows without incurring additional debt.

With the uncertainty surrounding the current economic climate and its continuing impact on the retail industry, we have reprioritized many of our business initiatives to focus on our free cash flow, inventory management and maintaining and strengthening our solid liquidity position. Even in this difficult environment, we expect to generate positive free cash flow for fiscal 2008 and fiscal 2009.

For the first nine months of fiscal 2008, cash provided by operating activities was \$0.7 million as compared to cash used for operating activities of \$15.7 million for the corresponding period of the prior year. The improvement in cash flows from operations was primarily due to the reduction in inventory, which we are closely managing in response to current sales trends.

In addition to cash flow from operations, our other primary source of working capital is our credit facility with Bank of America, N.A. (the "Credit Facility") for a total commitment of \$110.0 million. The maturity date of the Credit Facility is October 29, 2011. Borrowings under the Credit Facility bear interest at variable rates based on Bank of America's prime rate or the London Interbank Offering Rate ("LIBOR") and vary depending on our levels of excess availability. Our Credit Facility is described in more detail in Note 2 to the Notes to the Consolidated Financial Statements.

We had outstanding borrowings under the Credit Facility at November 1, 2008 of \$57.9 million. Outstanding standby letters of credit were \$2.2 million and outstanding documentary letters of credit were \$0.9 million. Average monthly borrowings outstanding under this facility during the first nine months of fiscal 2008 were approximately \$50.6 million, resulting in an average unused excess availability of approximately \$43.8 million. Unused excess availability at November 1, 2008 was \$46.7 million. Our obligations under the Credit Facility are secured by a lien on all of our assets. At November 1, 2008, we have reduced our total debt, including our long-term debt, by almost 15%, to \$71.5 million from \$83.5 million at November 3, 2007, while increasing our unused availability by 21% to \$46.7 million.

#### Master Loan and Security Agreement

On July 20, 2007, we entered into a Master Loan and Security Agreement (the "Master Agreement") with Banc of America Leasing & Capital, LLC ("BALC") for equipment financing. In conjunction with the Master Agreement, we entered into an Equipment Security Note (the "First Secured Note"), whereby we borrowed an aggregate of \$17.4 million from BALC. The First Secured Note is due July 20, 2011.

On January 16, 2008, we entered into a second Equipment Security Note (the "Second Secured Note"), pursuant to the same terms and provisions of the Master Agreement, whereby we borrowed an additional \$2.1 million. The Second Secured Note is due January 16, 2012.

Both secured notes accrue interest at a per annum rate of 1.75% plus the rate of interest equal to the 30-day published LIBOR rate. Principal and interest, in arrears, are payable monthly on each note, commencing one month after issuance of such note. We are subject to a prepayment penalty on both secured notes equal to 1% of the prepaid principal until the first anniversary of the respective secured note, 0.5% of the prepaid principal from the first day after the first anniversary through the end of the second anniversary and no prepayment penalty thereafter. At November 1, 2008, the outstanding balance of the secured notes was \$13.7 million.

Both notes are secured by a security interest in all of our rights, title and interest in and to certain equipment.

#### Dahle Acquisition

During the second quarter of fiscal 2008, we acquired certain assets of Dahle Management Corporation ("Dahle"), an operator of 15 big and tall men's apparel stores located in nine states. Under the asset purchase agreement, the operations of 8 Dahle's Big and Tall men's stores were acquired and were converted to Casual Male XL retail locations during the third quarter of fiscal 2008. The 7 remaining locations, all of which compete directly with our Casual Male XL business, will be closed by Dahle before the end of January 2009. In addition to the store locations, we also acquired Dahle's customer list from their internet and catalog business, as well as their retail business.

#### Stock Repurchase Program

During fiscal 2006, our Board of Directors adopted a \$75 million stock repurchase program, which was scheduled to terminate on December 31, 2007. On January 9, 2008, our Board of Directors extended this repurchase program authorizing us to continue to repurchase stock using the approximately \$24.1 million remaining under the program. The repurchases may be made through open market and privately negotiated transactions pursuant to Rule 10b-18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The stock repurchase program will expire on December 31, 2008, but may be terminated earlier at any time without prior notice.

No repurchases were made during the first nine months of fiscal 2008. As of November 1, 2008, we have repurchased approximately 4.3 million shares for an aggregate price of \$50.9 million pursuant to this program.

### Capital Expenditures

The following table sets forth the stores opened and related square footage at November 1, 2008 and November 3, 2007, respectively:

<u>Store Concept</u> (square footage in thousands)	<u>At November 1, 2008</u>		<u>At November 3, 2007</u>	
	<u>Number of Stores</u>	<u>Square Footage</u>	<u>Number of Stores</u>	<u>Square Footage</u>
Casual Male XL	473	1,654	471	1,624
Rochester Big & Tall	27	220	26	215
Total Stores	500	1,874	497	1,839

Total cash outlays for capital expenditures for the first nine months of fiscal 2008 were \$9.4 million as compared to \$16.2 million for the first nine months of fiscal 2007, representing a 42% decrease in capital expenditures. In addition, we anticipate reducing our capital expenditures further to \$5.0 million for fiscal 2009. Below is a summary of store openings and closings since February 2, 2008:

	<u>Casual Male</u>	<u>Rochester Big &amp; Tall</u>	<u>Total stores</u>
At February 2, 2008	462	26	488
New outlet stores	2	1	3
New retail stores	13	—	13
Closed stores	(4)	—	(4)
At November 1, 2008	473	27	500
Relocations	5	—	5

We expect our total capital expenditures for fiscal 2008 will be approximately \$11.5 million, of which \$5.9 million relates to capital for new stores, relocations and remodels. The budget also includes approximately \$3.4 million for system enhancements, including our inventory integration project. Included in store expansion are funds to relocate approximately 10 of our existing Casual Male XL retail stores at an estimated cost of \$150,000 for each location.

For the remainder of fiscal 2008, we expect to close 4 existing Casual Male XL retail stores as their respective leases expire and relocate 2 other store locations.

### **CRITICAL ACCOUNTING POLICIES**

There have been no material changes to the critical accounting policies and estimates disclosed in our Annual Report on Form 10-K for the year ended February 2, 2008 filed with the SEC on March 26, 2008.

### Goodwill

During the third quarter of fiscal 2008, given the economy and its impact on our current market capitalization, we performed an interim assessment of impairment for goodwill in accordance with SFAS 142 and have determined that no impairment has occurred as of November 1, 2008. See Note 1 to the Notes to the Consolidated Financial Statements for additional information.



### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

In the normal course of business, our financial position and results of operations are routinely subject to a variety of risks, including market risk associated with interest rate movements on borrowings and foreign currency fluctuations. We regularly assess these risks and have established policies and business practices to protect against the adverse effects of these and other potential exposures.

#### Interest Rates

We utilize cash from operations and from our Credit Facility to fund our working capital needs. Our Credit Facility is not used for trading or speculative purposes. In addition, we have available letters of credit as sources of financing for our working capital requirements. Borrowings under the Credit Facility, which expires October 29, 2011, bear interest at variable rates based on Bank of America's prime rate or the LIBOR. At November 1, 2008, the interest rate on our prime based borrowings was 4.00%. Approximately \$10.0 million of our outstanding borrowings were in a LIBOR contract with an interest rate of 5.22%. Based upon a sensitivity analysis as of November 1, 2008, assuming average outstanding borrowing during the first nine months of fiscal 2008 of \$50.6 million, a 50 basis point increase in interest rates would have resulted in a potential increase in interest expense of approximately \$253,000.

#### Foreign Currency

Our Sears Canada catalog operations conduct business in Canadian dollars and our Rochester Big & Tall Clothing store located in London, England conducts business in British pounds. If the value of the Canadian dollar or the British pound against the U.S. dollar weakens, the revenues and earnings of these operations will be reduced when they are translated to U.S. dollars. Also, the value of these assets to U.S. dollars may decline. As of November 1, 2008, sales from our Sears Canada operations, our London Rochester Big & Tall store and our international e-commerce sites were immaterial to consolidated sales. As such, we believe that movement in foreign currency exchange rates will not have a material adverse affect on our financial position or results of operations.

### **Item 4. Controls and Procedures.**

#### Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of November 1, 2008. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of November 1, 2008, our disclosure controls and procedures were effective, in that they provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

#### Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended November 1, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings.

We are subject to various legal proceedings and claims that arise in the ordinary course of business. We believe that the resolution of these matters will not have an adverse impact on our operations or financial position.

### Item 1A. Risk Factors.

There have been no material changes to the risk factors as previously disclosed in Part I, Item 1A ("Risk Factors") of our Annual Report on Form 10-K for the year ended February 2, 2008 filed with the SEC on March 26, 2008, except for the following:

**Disruptions in the capital and credit markets related to the current national and world-wide financial crisis, which may continue indefinitely or intensify, could adversely affect our results of operations, cash flows and financial condition, or those of our customers and vendors.**

The current disruptions in the capital and credit markets may continue indefinitely or intensify, and adversely impact our results of operations, cash flows and financial condition, or those of our customers and vendors. Disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives or failures of significant financial institutions could adversely affect our access to liquidity. Such disruptions may also adversely impact the capital needs of our customers and vendors, which, in turn, could adversely affect our results of operations, cash flows and financial condition.

**We may not be able to maintain our listing on The NASDAQ Global Market, which would adversely affect the price and liquidity of our common stock.**

To maintain the listing of our common stock on The NASDAQ Global Market we are required to meet certain listing requirements, including a minimum closing bid price of \$1.00 per share. Our common stock traded below the \$1.00 minimum bid price on November 18, 2008, November 19, 2008 and November 20, 2008. Under normal circumstances, companies traded on Nasdaq would receive a deficiency notice from Nasdaq if their common stock has traded below the \$1.00 minimum bid price for 30 consecutive business days. Due to market conditions, however, on October 16, 2008, Nasdaq announced suspension of the enforcement of rules requiring a minimum \$1.00 closing bid price, with the suspension to remain in place until Friday, January 16, 2009. If our common stock continues to trade below the \$1.00 minimum bid price for 30 consecutive business days following the end of Nasdaq's enforcement suspension, we would likely receive a deficiency notice. Following receipt of a deficiency notice, we expect we would have 180 calendar days to regain compliance by having our common stock trade over the \$1.00 minimum bid price for at least a 10-day period. If we were to fail to meet the minimum bid price for at least 10 consecutive days during the grace period, our common stock could be delisted. Even if we are able to comply with the minimum bid requirement, there is no assurance that in the future we will continue to satisfy Nasdaq listing requirements, with the result that our common stock may be delisted. Should our common stock be delisted from Nasdaq, and the delisting determination was based solely on non-compliance with the \$1.00 minimum bid price, we may consider applying to transfer our common stock to The NASDAQ Capital Market provided that we satisfy all criteria for initial inclusion on such market other than the minimum bid price rule. In the event of such a transfer, the NASDAQ Marketplace Rules provide that we would have an additional 180 calendar days to comply with the minimum bid price rule while on The NASDAQ Capital Market. If our stock is delisted from The NASDAQ Global Market and The NASDAQ Capital Market, it would likely be more difficult to trade in or obtain accurate quotations as to the market price of our common stock. Delisting of our common stock could materially adversely affect the market price and market liquidity of our common stock and our ability to raise necessary capital.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Submission of Matters to a Vote of Security Holders.**

None.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

10.1 Amendment to Consulting Agreement dated September 8, 2008 between Jewelcor Management, Inc. and the Company.

10.2 Casual Male Retail Group, Inc. Non-Employee Director Compensation Plan dated November 20, 2008.

10.3 Casual Male Retail Group, Inc. Nonqualified Deferred Compensation Plan effective November 1, 2006.

31.1 Certification of the Chief Executive Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.

31.2 Certification of the Chief Financial Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.

32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CASUAL MALE RETAIL GROUP, INC.

Date: November 21, 2008

By: /S/ SHERI A. KNIGHT

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Sheri A. Knight

Senior Vice President of Finance and Corporate Controller

## AMENDMENT TO CONSULTING AGREEMENT

Dated as of September 8, 2008

WHEREAS, Casual Male Retail Group, Inc. (formerly Designs, Inc., the "Corporation") and Jewelcor Management, Inc. (the "Independent Contractor") entered into a certain Consulting Agreement dated April 29, 2000, as amended by Letter Agreement dated April 28, 2001, by Letter Agreement dated April 28, 2002, by Amendment to Consulting Agreement dated April 29, 2003, by Amendment to Consulting Agreement dated April 26, 2004, by Amendment to Consulting Agreement dated August 26, 2004, by Amendment to Consulting Agreement dated June 15, 2005, as amended by Letter Agreement dated May 26, 2006 and as amended by Letter Agreement dated April 29, 2007 (hereinafter referred to as "the Agreement"), and

WHEREAS, Corporation and Independent Contractor wish to amend, modify and/or restate certain terms, provisions, conditions and covenants of the Agreement.

NOW THEREFORE, for and in consideration of the foregoing, the mutual promises and covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Corporation and Independent Contractor hereby agree to amend the Agreement as follows:

**1. Term of Agreement.** Paragraph 1 of Amendment to Consulting Agreement dated April 29, 2007 shall be amended to read as follows:

The term of the Agreement shall be extended for a period of one year, and shall expire on April 29, 2010. The term can be further extended only by agreement of both the Corporation and Independent Contractor.

THE REMAINING terms of the Agreement as amended shall remain in full force and effect without change.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Consulting Agreement as a sealed instrument, in any number of counterpart copies, each of which shall be deemed an original for all purposes, as of the day and year first written above.

JEWELCOR MANAGEMENT, INC.

By: /s/ Seymour Holtzman

Seymour Holtzman

November 19, 2008

By: /s/ David A. Levin  
David A. Levin  
November 19, 2008

By: /s/ Dennis R. Hernreich  
Dennis R. Hernreich  
November 19, 2008

CASUAL MALE RETAIL GROUP, INC.  
NON-EMPLOYEE DIRECTOR COMPENSATION PLAN

Section 1. Establishment and Purpose

Casual Male Retail Group, Inc. (the "Company") hereby establishes a non-employee director compensation plan to be named the Casual Male Retail Group, Inc. Non-Employee Director Compensation Plan (the "Plan"), for the purpose of supporting the Company's ongoing efforts to attract and retain exceptional directors to provide strategic guidance to the Company.

Section 2. Definitions

When used herein, the following capitalized terms shall have the meanings assigned to them, unless the context clearly indicates otherwise. Capitalized terms used herein and not defined shall have the meanings assigned to them in the Company's 2006 Incentive Compensation Plan (the "Incentive Compensation Plan").

- (a) Black-Scholes Valuation means, with respect to an Option, the value of such Option as of the Grant Date calculated utilizing the same formula and assumptions as the Company utilized for the purpose of valuing outstanding options in its most recently (meaning at the time of the valuation) prepared audited annual financial statement.
- (b) Cash means U.S. dollars.
- (c) Commission means the United States Securities and Exchange Commission or any successor agency.
- (d) Compensation means an award under the Plan that is payable in the form of Cash, Deferred Stock, Options and/or Stock pursuant to the terms and conditions set forth in this Plan.
- (e) Compensation Payment Choice means the form of payment of Compensation that a Participant selects in accordance with the terms hereof.
- (f) Grant Date means the following: (i) each quarterly retainer and chairperson fee payable pursuant to Sections 3(i)(a)-(d) hereof shall be paid on, and the Grant Dates shall be, the first business day of each quarter in each fiscal year, (ii) each meeting fee payable pursuant to Sections 3(i)(e) and (f) hereof shall be paid on, and the Grant Date shall be, the last business day of each month in which the applicable meeting occurs, (iii) the fee payable upon the re-election of a Director to the Board pursuant to Section 3(i)(g) hereof shall be paid on, and the Grant Date shall be, the last business day of the month in which such re-election occurs; and (iv) the Option grant issued pursuant to Section 3(i)(h) with respect to a Director's initial election to the Board shall be issued on, and the Grant Date shall be, the last business day of the month in which such initial election occurs.
- (g) Incentive Compensation Plan means the Company's 2006 Incentive Compensation Plan, as the same may hereinafter be amended from time to time.

- (h) Irrevocable Election Agreement means the written agreement, substantially in the form of Exhibit A, between the Company and a Participant, which, together with the Plan, governs the Participant's rights to payment of Compensation under the Plan.
- (i) Non-Employee Director means a Director who satisfies the requirements set forth in Rule 17 CFR 240.16b-3(i).
- (j) Participant means a Non-Employee Director of the Company.
- (k) Plan means this Casual Male Retail Group, Inc. Non-Employee Director Compensation Plan, as the same may hereinafter be amended from time to time.
- (l) Separation from Service means the earliest date on which a Participant has incurred a separation from service, within the meaning of Section 409A (a) (2) of the Code, with the Service Recipient.
- (m) Service Recipient means the Company and all persons with whom the Company would be considered a single employer under Section 414(b) of the Code (employees of a controlled group of corporations), and all persons with whom such person would be considered a single employer under Section 414(c) of the Code (employees of partnerships, proprietorships, or other entities under company control).
- (n) Treasury Regulations means the regulations promulgated by the United States Treasury Department with respect to the Code, as amended from time to time.

Section 3. Compensation; Irrevocable Election; Valuation.

(i) Effective February 1, 2009, the Compensation paid to the Participants shall be as follows:

- (a) a retainer equal to \$5,000 per fiscal quarter (paid only to those Participants serving (i) as a Director as of the first day of the fiscal year, and (ii) as a Director as of the Grant Date in the fiscal quarter for which the fee is payable);
- (b) to the chairperson of the Company's audit committee, a fee equal to \$2,500 per fiscal quarter (paid only to the Participant serving in such position as of the Grant Date in the fiscal quarter for which the fee is payable);
- (c) to the chairperson of the Company's compensation committee, a fee equal to \$1,250 per fiscal quarter (paid only to the Participant serving in such position as of the Grant Date in the fiscal quarter for which the fee is payable);
- (d) to the chairperson of the Company's nominating and corporate governance committee, a fee equal to \$1,250 per fiscal quarter (paid only to the Participant serving in such position as of the Grant Date in the fiscal quarter for which the fee is payable);
- (e) \$1,500 per meeting for his/her attendance at in-person meetings of the Board and committees;
- (f) \$750 per meeting for his/her attendance at telephonic meetings of the Board and committees;
- (g) \$82,250 annually upon his/her re-election to the Board; and



(h) Options to purchase 15,000 shares of the Company's common stock upon initial election to the Board.

(ii) Compensation paid hereunder is being made pursuant to the Incentive Compensation Plan. Subject to the terms hereof, Compensation shall be paid on the applicable Grant Date unless the Participant elects to receive Deferred Stock. The Participants will have the right to elect payments of the values set forth above except in any combination of Cash, Stock, Deferred Stock or Options assuming there is an adequate number of shares of common stock available under the Incentive Compensation Plan. In the event a Participant elects to receive Deferred Stock, then on the Grant Date, the Participant shall receive a Deferred Stock Award and, when the deferment period expires, payment shall be made in shares of common stock. In the event that the Company does not have a sufficient number of shares of Options, or common stock remaining under the Incentive Compensation Plan, the payments will be made in Cash to the extent of such insufficiency.

(iii) The elections by the Participants must be made in writing substantially in the form of Exhibit A attached hereto and submitted to the General Counsel of the Company (or such other person as the Committee shall designate) no later than December 1<sup>st</sup> of the year preceding the fiscal year for which the election is to be effective. All elections (including elections to receive Deferred Stock), once submitted, are irrevocable for that fiscal year. In the event a timely election is not made or a person does not become a Participant until after the deadline for the election to be made, the payments will be made in cash for that fiscal year. Any person, who becomes a Participant during a fiscal year, shall be eligible to receive cash.

(iv) For the purposes of determining the relative values of Stock, Deferred Stock, and Options, each share of Stock or Deferred Stock shall be assigned a value equal to the closing price of a share of the Company's common stock as reported by the NASDAQ Stock Market, Inc. ("NASDAQ") on the effective Grant Date and each Option to acquire a share of Company common stock shall be assigned a value equal to the Black-Scholes value of an option to acquire a share of Company common stock on the effective Grant Date with an exercise price equal to the closing price of a share of the Company's common stock as reported by the NASDAQ on such Grant Date. Any Options issued pursuant to the foregoing shall vest in increments of one-third on the effective Grant Date, one-third on the first anniversary of the effective Grant Date and one-third on the second anniversary of the effective Grant Date. Unless the Board otherwise determines in its sole discretion, any unexercised portion of vested Options shall be exercisable for 10 years after the Grant Date, except in the event of Separation from Service, where vested Options shall automatically terminate: (i) immediately if for cause; (ii) three months if for a reason other than for cause/disability/death; (iii) twelve months if by reason of a Disability; and (iv) (a) twelve months if by reason of death or, if later, (b) three months after the date which the Participant dies if death occurs during the one year period due to Disability. Any Deferred Stock or Stock granted pursuant to this Plan shall be fully vested on the Grant Date.

(v) Except in the event of a Change in Control, all unvested Options to which a Participant would otherwise be entitled shall be forfeited immediately upon the Participant's Separation from Service except as may otherwise be determined by the Board in writing in its sole discretion.

(vi) If a Participant may elect to receive Deferred Stock, the deferral period shall be 3-5 years after the Grant Date as irrevocably elected by the Participant pursuant to Section 3 (iii) above. Payment of the Deferred Stock Award shall occur on the earlier of (a) the Participant's Separation from Service or (b) the deferral election date specified by the Participant. Notwithstanding the foregoing, if a Participant is a "specified employee", as that term is defined in Section 409A(a)(2)(B)(i) of the Code, then no payment or benefit that is payable on account of the Participant's Separation from Service shall be made before the date that is six months after the Participant's separation from service (or, if earlier, the date of the Participant's death) if and to the extent that such payment or benefit constitutes deferred compensation (or may be nonqualified deferred compensation) under Section 409A and such deferral is required to comply with the requirements of Section 409A.

#### Section 4. Change in Control.

If and to the extent that it would not violate the requirements of Section 409A of the Code, in the event of a Change in Control prior to, or concurrently with, a Participant's Separation from Service, the full value of the Participant's unpaid or unvested Compensation shall immediately vest and; in the case of any Deferred Stock Award, shall be paid as soon as administratively practicable after, and in all events within 30 days after, the Change of Control.

#### Section 5. No Acceleration of Benefits

In no event shall the acceleration of the time or schedule of any payment under the Plan be permitted, except to the extent permitted under Section 409A of the Code and the Treasury Regulations and other applicable guidance issued thereunder.

#### Section 6. Amendment and Termination

This Plan may be amended or terminated in any respect at any time by the Board; provided, however, that no amendment or termination of the Plan shall be effective to reduce any benefits that accrue and are vested before the adoption of such amendment or termination. If and to the extent permitted without violating the requirements of Section 409A of the Code, the Committee may require that the Compensation of all Participants be paid in cash as soon as practicable after such termination, notwithstanding any elections by Participants with regard to the timing or form in which their benefits are to be paid. If and to the extent that the Committee does not accelerate the timing of payments on account of the termination of the Plan pursuant to the preceding sentence, payment of any remaining benefits under the Plan shall be made at the same times and in the same manner as such payments would have been made based upon the most recent

elections made by Participants, and the terms of the Plan, as in effect at the time the Plan is terminated.

#### Section 7. Unfunded Obligation

The obligations of the Company to pay any Compensation under the Plan shall be unfunded and unsecured, and any payments under the Plan shall be made from the general assets of the Company. Participants' rights under the Plan are not assignable or transferable except to the extent that such assignment or transfer is permitted under the terms of the Incentive Compensation Plan.

#### Section 8. Withholding

The Participants and personal representatives shall bear any and all federal, state, local or other taxes imposed on benefits under the Plan. The Company may deduct from any payments under the Plan the amount of any taxes required to be withheld from such payments by any federal, state or local government, and may deduct from any Compensation or other amounts payable to the Participant the amount of any taxes required to be withheld with respect to any other amounts under the Plan by any federal, state or local government.

#### Section 9. Applicable Law

This Plan shall be construed and enforced in accordance with the laws of the State of Delaware, except to the extent superseded by federal law.

#### Section 10. Administration and Interpretation

The Plan will be administered by the Committee. Pursuant to its charter, the Committee shall not make any substantive changes to the Compensation set forth in this Plan without the approval of the Board. The Committee will have broad authority to adopt rules and regulations relating to the Plan and make decisions and interpretations regarding the provisions of the Plan. Benefits due and owing to a Participant under the Plan shall be paid when due without any requirement that a claim for benefits be filed. However, any Participant who has not received the benefits to which Participant believes himself or herself entitled may file a written claim with the Committee, which shall act on the claim within thirty days. Any decisions or interpretations by the Committee relating to benefits under the Plan shall be binding and conclusive on all affected parties.

#### Section 11. Code Section 409A

It is intended that the Compensation granted pursuant to this Plan other than any Deferred Stock Awards, be exempt from Section 409A of the Code ("Section 409A") because it is believed (i) the Compensation payable in cash should qualify for the short-term deferral exception contained in Treasury Regulation §1.409A-1(b)(4), and (ii) any Options granted pursuant to the Plan will have an exercise price that may never be less than the

Fair Market Value of a Share on the Grant Date and the other requirements for the exemption of such options under Treasury Regulation §1.409A-1(b)(5)(i)(A) should be met. It also is intended that any compensation payable in the form of a Deferred Stock Award comply with the requirements of Section 409A. The provisions of the Plan shall be interpreted in a manner consistent with the foregoing intentions.

The Committee, in its sole discretion, and without the consent of any Participant or Beneficiary, may amend the provisions of this Plan to the extent that the Committee determines that such amendment is necessary or appropriate in order for the Compensation paid pursuant to the Plan to be exempt from the requirements of Section 409A, or if and to that the Committee determines that the Compensation is not so exempt, to amend the Plan (and any agreements relating to any Compensation) in such manner as the Committee determines shall deem necessary or appropriate to comply with the requirements of Section 409A.

Notwithstanding the foregoing, the Company does not make any representation to any Participant or Beneficiary that the Compensation paid pursuant to this Plan is exempt from, or satisfies, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless any Participant or Beneficiary for any tax, additional tax, interest or penalties that the Participant or Beneficiary may incur in the event that any provision of the Plan or any Compensation agreement, or any amendment or any modification thereof, or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A.

**THIS SPACE IS LEFT BLANK INTENTIONALLY**

**EXHIBIT A**

**CASUAL MALE RETAIL GROUP, INC.  
NON-EMPLOYEE DIRECTOR COMPENSATION PLAN  
IRREVOCABLE ELECTION AGREEMENT**

TO: General Counsel:

I, \_\_\_\_\_, hereby elect to receive my Casual Male Retail Group, Inc. Non-Employee Director Compensation (as defined in the Casual Male Retail Group, Inc. Non-Employee Director Compensation Plan (the "Plan")) as follows:

COMPENSATION	PAYMENT CHOICES					TOTAL	If Deferred Stock was elected, specify Deferral Period		
	Cash	CMRG Stock	CMRG Stock Options	CMRG Deferred Stock					
<b>Retainer</b>	%	%	%	%	%	100%	3 yrs.	4 yrs.	5 yrs.
<b>In-Person Meetings</b>	%	%	%	%	%	100%	3 yrs.	4 yrs.	5 yrs.
<b>Telephonic Meetings</b>	%	%	%	%	%	100%	3 yrs.	4 yrs.	5 yrs.
<b>Committee Chair Fee</b>	%	%	%	%	%	100%	3 yrs.	4 yrs.	5 yrs.
<b>Re-election Award</b>	%	%	%	%	%	100%	3 yrs.	4 yrs.	5 yrs.

[NOTE: You have the opportunity to decide the Compensation Payment Choice(s): cash, CMRG Stock, CMRG stock options or CMRG Deferred Stock for each type of fee. Your selected option(s) for any given year must equal 100%. If you select Deferred Stock, then distribution of your CMRG shares shall be made on the earlier of the number of years that have elapsed commencing on the Grant Date, and the date of your Separation from Service (or if you become an employee of the Company and are a "specified employee", as defined in the Plan, the 6-month anniversary of the Grant Date). If you do not specify a number of years, distribution will be made upon your Separation from Service.]

I understand and acknowledge that if there is an insufficient number of CMRG shares available under the Company's 2006 Incentive Compensation Plan; I will be paid in cash.

I understand and acknowledge that this election is irrevocable. I understand and acknowledge that I must be a director of the Company on the dates each portion of the Compensation is paid in order to qualify for such payment.

I understand and acknowledge that if there is any conflict between this form or any part of it and the Plan, the provisions of the Plan shall govern.

I have hereunto set my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed name)

**CASUAL MALE RETAIL GROUP, INC.  
NONQUALIFIED DEFERRED COMPENSATION PLAN**

TABLE OF CONTENTS

ARTICLE I—INTRODUCTION	1
1.1 Purpose of Plan	1
1.2 Status of Plan	1
ARTICLE II—DEFINITIONS	1
ARTICLE III—PARTICIPATION	3
3.1 Commencement of Participation	3
3.2 Contents of Election Form	4
3.3 Employment Transfers	4
ARTICLE IV—CONTRIBUTIONS	4
4.1 Participant Contributions	4
4.2 Employer Contributions	6
ARTICLE V—ACCOUNTS	7
5.1 Accounts	7
5.2 Statement of Accounts	7
5.3 Investments	7
ARTICLE VI—VESTING	8
6.1 General	8
6.2 Forfeiture Events	8
ARTICLE VII—PAYMENT OF BENEFITS	8
7.1 Distribution Events	8
7.2 Disability	9
7.3 Unforeseeable Emergency	9
7.4 Change in Control of the Company	10
7.5 Death of Participant	10
7.6 Form of Payment	11
7.7 Prohibition on Acceleration of Payments	11
7.8 Beneficiary	12
7.9 Withholding of Taxes	12
ARTICLE VIII—PLAN ADMINISTRATION	12
8.1 Company Duties	12
8.2 Plan Administration and Interpretation	13
8.3 Powers, Duties, Procedures, Etc. of Plan Administrator	13
8.4 Information	13
8.5 Indemnification of the Plan Administrator	13
8.6 Plan Administration Expenses	13
8.7 Claims Procedure	14
ARTICLE IX—AMENDMENT AND TERMINATION OF PLAN	15
9.1 Amendments	15
9.2 Termination of Plan	15
9.3 Existing Rights	16
ARTICLE X—MISCELLANEOUS	16
10.1 No Funding	16
10.2 Nonassignability	16
10.3 Location of Participant or Beneficiary Unknown	16

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10.4 Employment Status	17
10.5 Participants Bound	17
10.6 Receipt and Release	17
10.7 Governing Law	17
10.8 Validity and Severability	17
10.9 Headings and Subheadings	17



## ARTICLE I—INTRODUCTION

### 1.1 Purpose of Plan

Casual Male Retail Group, Inc. (the “Company”) adopted the Casual Male Retail Group, Inc. Nonqualified Deferred Compensation Plan (known as the “Wraparound Plan” prior to January 1, 2008 and herein referred to as the “Plan”) effective November 1, 2006 to recognize the contribution of certain designated managerial associates to the success of the Company and its subsidiaries and to provide such managerial associates with the opportunity to defer compensation in addition to their deferrals under qualified plans sponsored by the Company. Since inception, the Plan has operated in good faith compliance with Internal Revenue Code Section 409A and the regulations and other guidance issued thereunder.

The Plan is intended to provide a select group of management and highly compensated employees of the Company, within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974 (“ERISA”), with the opportunity to defer a portion of their Compensation and to receive any discretionary Employer Contributions made by the Company and to have these contributions treated as if invested in specified investments.

The Plan has been amended and restated as set forth herein, in order to comply with the provisions of Section 409A of the Code, with such amendment and restatement to have retroactive effect, as necessary to comply with such provisions.

### 1.2 Status of Plan

The Plan is intended to be “a plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees” within the meaning of Sections 201(2) and 301(a)(3) of ERISA, and to provide for deferral of constructive receipt and federal income taxation of contributions to the Plan, and the Plan shall be interpreted and administered to the extent possible in a manner consistent with that intent.

## ARTICLE II—DEFINITIONS

Whenever used herein, the following terms have the meanings set forth below, unless a different meaning is clearly required by the context:

**2.1 Account** means, for each Participant, the bookkeeping account established by the Company into which the Company may make contributions in accordance with Article IV.

- 2.2 **Associate Deferrals** means the pre-tax deferral amounts contributed to the Plan by an Eligible Employee. Such amounts shall be made by means of payroll deduction in any whole percentage or dollar amount of Compensation. There is no maximum imposed on Associate Deferrals under this Plan.
- 2.3 **Associated Plan** means, under the terms of the Plan in effect prior to January 1, 2008, the Casual Male Retail Group, Inc. 401(k) Salaried Plan.
- 2.4 **Beneficiary** means the person, persons or entity designated by the Participant to receive any benefits payable under the Plan pursuant to Section 7.8.
- 2.5 **Code** means the Internal Revenue Code of 1986, as amended. Reference to any provision of the Code or regulation (including a proposed regulation) thereunder shall include any successor provisions or regulations.
- 2.6 **Company** means Casual Male Retail Group, Inc., and, effective as of December 18, 2007, CMRG Apparel, LLC, any successor to all or a major portion of the Company's assets or business which assumes the obligations of the Company, and each other entity that is affiliated with the Company which adopts the Plan with the consent of the Company, provided that the Company shall have the sole power to amend this Plan and shall be the Plan Administrator if no other person or entity is so serving at any time.
- 2.7 **Compensation** means earnings required to be reported in the Wages, Tips and Other Compensation box of Form W-2 excluding Employee Pre-Tax Contributions and other Elective Deferrals, and elective contributions that are excluded from income under Code § 125 (cafeteria plan); and reimbursements or other expense allowances, fringe benefits (cash and non cash), moving expenses, deferred compensation and welfare benefits.
- 2.8 **Covered Employment** means employment with the Company as a management associate designated as eligible to participate by the Plan Administrator.
- 2.9 **Effective Date** of the Plan means November 1, 2006.
- 2.10 **Election Form** means the form to be submitted by each Participant regarding his or her specific elections made under the Plan as set forth in Section 3.2.
- 2.11 **Eligible Employee** means a management associate employee of the Company who has been designated by the Company as eligible to participate in the Plan.
- 2.12 **Employer Contribution** means a discretionary contribution made by the Company on behalf of any Eligible Employee into an Account in accordance with Section 4.2.
- 2.13 **ERISA** means the Employee Retirement Income Security Act of 1974, as amended.

- 2.14 Executive Committee** means the committee responsible for the implementation, oversight and administration of the Plan as selected by the Board of Directors of the Company.
- 2.15 Investments** means the investment fund options selected by the Plan Administrator that are used to measure the return credited to a Participant's Account.
- 2.16 Late Retirement Date** means retirement from the service of the Company after a Participant has attained age 65 which becomes effective as of the first day of the month following the date the Participant terminates service with the Company.
- 2.17 Normal Retirement** means retirement from the service of the Company which becomes effective as of the first day of the month following a Participant's attainment of age 65.
- 2.18 Participant** means any Eligible Employee who participates in the Plan in accordance with Article III.
- 2.19 Plan** means the Casual Male Retail Group, Inc. Nonqualified Deferred Compensation Plan and all amendments thereto.
- 2.20 Plan Administrator** means Casual Male Retail Group, Inc.
- 2.21 Plan Year** means the initial short Plan Year beginning November 1, 2006 and ending December 31, 2006 and thereafter, each 12-month period beginning January 1 and ending the following December 31.
- 2.22 Retirement** means the voluntary termination of employment of a Participant from the Company at Normal Retirement.
- 2.23 Trust** means the rabbi trust established by the Company and administered by the Trustee to accumulate the assets for the benefits provided by the Plan.
- 2.24 Trustee** means the trustee of the Plan's Trust.
- 2.25 Year of Service** means a calendar year during which a Participant completes at least 1,000 hours of service with the Company. Hours of service shall be calculated under the actual hours method.

### ARTICLE III—PARTICIPATION

#### 3.1 Commencement of Participation

An Eligible Employee shall become a Participant in the Plan upon designation by the Company. A Participant shall be required to make an election as to the amount of his or her Associate

Deferrals, form of distribution, preferred initial Investments, and may designate a beneficiary on the Election Form.

### 3.2 Contents of Election Form

The Company provides an Election Form to be completed by a Participant which contains the following information:

- (1) Contribution Election. The contribution election sets forth the amount of Associate Deferrals a Participant elects to contribute to the Plan on a voluntary basis;
- (2) Distribution Election. The distribution election sets forth the distribution option elected by the Participant of his or her Account upon the Participant's separation from service with the Company and the manner in which payments are to be made in accordance with the provisions of Article VII, such election to be made annually with respect to contributions for the upcoming Plan Year;
- (3) Investment Election. The investment election sets forth the initial Investments elected by the Participant; and
- (4) Designation of Beneficiary. The designation of beneficiary sets forth the Beneficiary or Beneficiaries elected by the Participant to receive payments under the Plan in the event of the Participant's death and the distribution option selected by the Participant for the Participant's surviving Beneficiary or Beneficiaries.

### 3.3 Employment Transfers

In the event the employment of a Participant under the Wraparound Plan prior to January 1, 2008 and/or under the current terms of the Plan on and after January 1, 2008, is transferred to or from Casual Male Retail Group, Inc. to or from CMRG Apparel, LLC, or any other wholly owned subsidiary designated by the Company, in no event shall such a transfer be deemed a separation from service for Plan purposes. Accordingly, any Plan elections in effect for the Plan Year during which such a transfer occurs shall remain in full force and effect until the enrollment period applicable to the next succeeding Plan Year.

## ARTICLE IV—CONTRIBUTIONS

### 4.1 Participant Contributions

- (a) Within the thirty-day (30) period prior to the beginning of each calendar year, each eligible Participant shall elect what amount, if any, of his or her total Compensation such Participant desires to have credited to his or her Plan Account as Associate Deferrals for such calendar year.

- (b) Notwithstanding the preceding paragraph, in the calendar year during which an Eligible Employee is first eligible to participate hereunder, he or she may make such election within the 30-day period during which he or she first became eligible to participate hereunder, provided such election shall apply only to Compensation earned with respect to services rendered subsequent to the date such election is made. Such election shall apply with respect to Compensation earned for the performance of services during the remainder of the calendar year in which such election is made.
- (c) In the case of any performance-based Compensation based on services performed over a period of at least 12 months, an election to defer such Compensation may be made no later than 6 months before the end of such period. For purposes of this paragraph, the term “performance-based Compensation” refers to Compensation where (i) the payment of the Compensation or the amount of the Compensation is contingent on the satisfaction of organizational or individual performance criteria, and (ii) the performance criteria are not substantially certain to be met at the time a deferral election is permitted.
- (d) Once an Associate Deferral election is made pursuant to the provisions of this Section 4.1 with respect to Compensation for services rendered in a given Plan Year, such Associate Deferral election shall be irrevocable and the Participant shall not increase or decrease such election for the remainder of the calendar year to which such election relates: provided that a Participant may revoke such election with respect to amounts which he or she has not yet earned as of the date of revocation in connection with the occurrence of an approved unforeseeable emergency with respect to which a Participant has requested accelerated distribution of his Plan interests pursuant to Section 7.3 hereof. If a Participant revokes an election pursuant to this paragraph, such Participant may not again elect to participate in the Plan as of a date prior to the first day of the calendar year next following the date he or she ceased to participate in the Plan as a result of such revocation.
- (e) Effective prior to January 1, 2008, under the terms of the Wraparound Plan, by January 31 of the year following the end of the Plan Year during which a Participant made Associate Deferrals, the Company performed or caused to be performed, nondiscrimination testing of the Associated Plan to determine the maximum amount that each Participant in the Wraparound Plan could contribute to the Associated Plan with respect to the immediately preceding Plan Year. The Associate Deferrals not in excess of such maximum were then transferred to the Associated Plan with the balance of the Associate Deferrals in excess of such maximum remaining to the credit of the Participant under this Plan.
- (f) Effective January 1, 2008, as a result of the adoption of “safe harbor 401(k) provisions” under the Associated Plan in accordance with the terms of Code Sections 401(k)(12) and 401(m)(11), the provisions of paragraph (e) of this Section 4.1 were no longer necessary and were eliminated. Any amounts held under the terms of the Plan prior to January 1, 2008 shall continue to be held for the benefit of Participants who participated in the

Wraparound Plan and shall continue to be governed by the amended and restated provisions outlined herein.

#### **4.2 Employer Contributions**

- (a) The Company shall add Matching Credits to each Participant's Account based on the amount of Associate Deferrals for the Plan Year and shall be determined annually for each Plan Year by the Company, in its sole and absolute discretion.
- (b) Matching Credits shall be limited to no more than fifty percent (50%) of a Participant's Associate Deferrals for a Plan Year which are not in excess of six percent (6%) of the Participant's Compensation for the Plan Year.
- (c) In order to be eligible to receive an allocation of Matching Credits, a Participant must be actively employed by the Company as of the last day of the Plan Year for which the Matching Credit is made.
- (d) Notwithstanding the foregoing, effective prior to January 1, 2008, by January 31 of the year following the Plan Year for which Matching Credits were made to the Wraparound Plan, the Company performed, or caused to be performed, nondiscrimination testing of the Associated Plan to determine the maximum amount of Matching Credits eligible for transfer from the Wraparound Plan to the Associated Plan for the immediately preceding Plan Year. Matching Credits not exceeding such maximum were then transferred to the Associated Plan with the balance in excess of such maximum retained under the Wraparound Plan.
- (e) Effective January 1, 2008, as a result of the adoption of "safe harbor 401(k) provisions" under the Associated Plan in accordance with the terms of Code Sections 401(k)(12) and 401(m)(11), the provisions of paragraph (d) of this Section 4.1 were no longer necessary and were eliminated. Any amounts held under the terms of the Plan prior to January 1, 2008 shall continue to be held for the benefit of Participants who participated in the Wraparound Plan and shall continue to be governed by the amended and restated provisions outlined herein.
- (f) Notwithstanding the preceding paragraphs of this Section 4.2, the Company retains the sole discretion make additional Supplemental Credits hereunder, without regard to whether a Participant makes Associate Deferrals, as well as the sole discretion to select the Eligible Employees who may receive an Employer Contribution in a particular form and amount determined by the Company for a Plan Year. The amount of any such Employer Contribution will be determined by the Company in accordance with such criteria as it shall adopt from time to time and shall be made in proportion to each Participant's Compensation. Except in the event of retirement at or after normal retirement age, disability or death, a Participant shall be required to be actively employed on the last day of the Plan Year for which the Supplemental Credit is made in order to be eligible for an allocation.

- (g) Any Employer Contribution (including Matching Credits and Supplemental Credits, if any) under this Section 4.2 shall be credited to Participant Accounts in accordance with the Plan. Each Employer Contribution and any accrued earnings (net of all gains and losses) shall be distributed in a manner consistent with the elections last made by the Participant on file with the Plan Administrator in accordance with the provisions of Article VII.

## ARTICLE V—ACCOUNTS

### 5.1 Accounts

The Plan Administrator shall establish an Account for each Participant to reflect Participant Contributions and any Employer Contributions together with any adjustments for income, expense, gain or loss and any payments made from the Account. The Plan Administrator may cause the Trustee to maintain and invest separate asset accounts corresponding to each Participant's Account. The Plan Administrator may establish such other sub-accounts as are necessary for the proper administration of the Plan.

### 5.2 Statement of Accounts

As soon as administratively practicable following the last business day of each calendar quarter, the Plan Administrator shall provide each Participant with a statement of his or her Account reflecting the gains and losses (realized and unrealized), amounts of Participant and Employer contributions and distributions with respect to such Account since the prior statement.

### 5.3 Investments

The assets of the Trust shall be invested in such Investments as the Executive Committee shall determine. The Trustee may, but is not required to, consider a Participant's investment preferences when investing the assets attributable to a Participant's Account.

**ARTICLE VI—VESTING**

**6.1 General**

- (a) A Participant shall always be one hundred percent (100%) vested in Associate Deferrals credited to his or her Account under this Plan.
- (b) A Participant shall vest in Matching and Supplemental Credits based on Years of Service with the Company according to the following schedule:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 1 year	0%
1, but less than 2 years	34%
2, but less than 3 years	67%
3 or more years	100%

- (c) Notwithstanding paragraphs (a) and (b) of this Section 6.1, a Participant shall become 100% vested under the Plan in the event of a termination of employment with the Company due to death, disability as defined in Section 7.2 of Article VII hereof, or as a result of a Change in Control as defined in Section 7.4 of Article VII hereof.

**6.2 Forfeiture Events**

- (a) Notwithstanding Section 6.1, a Participant who is terminated for “cause” as defined by the Company shall forfeit the entire balance in his or her Account attributable to Matching and Supplemental Credits.
- (b) Notwithstanding Section 6.1, a Participant who terminates employment with the Company and within twelve (12) months of such termination is employed by a competitor of the Company, shall forfeit 50% of his account balance under the Plan attributable to Matching and Supplemental Credits. For purposes of this Section 6.2(b), “competitor” shall be defined by the Company based on relevant facts and circumstances.

**ARTICLE VII—PAYMENT OF BENEFITS**

**7.1 Distribution Events**

Plan distributions shall only be permitted upon the occurrence of the following events:

- (1) The Participant’s separation from service with the Company through Retirement or other termination of employment;
- (2) The death of the Participant;
- (3) The disability of the Participant (as defined under Section 7.2 hereof);



- (4) The occurrence of an “Unforeseeable Emergency” (as defined under Section 7.3 hereof);
- (5) The occurrence of a “Change in Control Event” of the Employer (as defined under Section 7.4 hereof.); or
- (6) On the fixed date elected by the Participant.

## 7.2 Disability

For purposes of Section 7.1 a Participant is considered “disabled” if he or she (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or (ii) is by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits under an accident and health plan covering employees of the Employer. Requests for payment on account of disability must be accompanied by a certification of disability from a medical professional.

## 7.3 Unforeseeable Emergency

- (a) A Participant may request an in-service withdrawal of all or a portion of his or her Account attributable to Participant Contribution elections, plus earnings thereon, in the event of an unforeseeable emergency which results in a financial hardship to such Participant. Such request must be submitted to the Plan Administrator.
- (b) Any amounts paid with respect to a Participant’s unforeseeable emergency request shall not exceed the amount necessary to relieve such financial hardship, and then only to the extent that such emergency circumstances may not be relieved through:
  - (1) reimbursement or compensation by insurance or otherwise;
  - (2) by liquidation of the Participant’s assets to the extent that such liquidation would not itself result in a severe financial hardship; or
  - (3) by cessation of deferrals under the Plan.
- (c) For purposes of this Section, a severe unforeseeable emergency shall include financial hardship resulting from sudden and unexpected illness of the Participant or his or her spouse, beneficiary or dependent (as defined in Section 152 of the Code (without regard to Sections 152(b)(1), (b)(2), and (d)(1)(B)), loss of Participant’s property due to casualty or other similar extraordinary and unforeseeable circumstances arising out of events over which the Participant

had no control. In no event shall the purchase of a residence or the educational expenses of the Participant or a dependent of Participant be determined to be an unforeseeable emergency.

- (d) The Plan Administrator shall have the sole, absolute and final discretion to determine the existence of a qualifying financial unforeseeable emergency and the availability to a qualifying Participant of an in-service withdrawal of Plan interests with respect to such circumstances. The Plan Administrator shall exercise such discretion so as to comply with requirements of Section 409A of the Code and the regulations thereunder, as they apply to distributions on account of unforeseeable emergencies.

#### **7.4 Change in Control of the Company**

- (a) For purposes of Section 7.1 a “Change in Control Event” of the Company includes a “Change in Ownership” of the Company, a “Change in Effective Control” of the Company and a “Change in Ownership of a Substantial Portion of the Assets” of the Company, each as defined in the regulations issued under Code Section 409A. To qualify as a Change in Control Event, the occurrence of the event must be objectively determinable and any requirement that any other person such as the board of directors or compensation committee, certify the occurrence of a Change in Control Event, shall be strictly ministerial and shall not involve any discretionary authority. Distribution under Section 7.1 shall also be permissible as a result of the Company’s exercise of its discretionary authority to terminate the Plan and distribute Participant accounts within 12 months of a Change in Control Event.
- (b) Identification of relevant corporation(s). To constitute a Change in Control Event as to a Participant, the Change in Control Event must relate to (i) the corporation for whom the Participant is performing services at the time of the Change in Control Event, (ii) the corporation that is liable for the payment of the deferred compensation (or all corporations liable for the payment if more than one corporation is liable), or (iii) a corporation that is a majority shareholder of a corporation identified in (i) or (ii), or any corporation in a chain of corporations in which each corporation is a majority shareholder of another corporation in the chain, ending in a corporation identified in (i) or (ii).

#### **7.5 Death of Participant**

If a Participant dies prior to Retirement or the complete distribution of his or her Account balance, the balance of the Account shall be paid as soon as practicable to the Participant’s designated Beneficiary or Beneficiaries, in accordance with the beneficiary information provided in the Designation of Beneficiary section of the Enrollment Form in effect on the date of the Participant’s death. Such amounts shall be paid in a single lump sum.

## **7.6 Form of Payment**

- (a) Amounts payable to a Participant shall be paid at such time and in such form as elected by the Participant. A Participant may elect to receive payment in (1) installments over a fixed period not to exceed three (3) consecutive years; (2) installments in a fixed amount over a specified period not to exceed three (3) consecutive years; (3) in a single lump sum; or (4) any combination of lump sum and installment payments subject to the approval of the Plan Administrator. Any fixed time elections must be made at the time of the deferral and may not be based on the occurrence of an event. For example, amounts payable when a Participant reaches a specified age are permissible, whereas amounts payable at such time as a Participant's dependent begins college is not permissible. Amounts payable to a Beneficiary shall be paid in a single lump sum. Such payments shall commence as soon as is administratively feasible following the date on which the event which gives rise to entitlement to such payment occurs. Provided, however, in the case of a "key employee" (within the meaning of Code Section 416(i)) of a publicly-traded corporation who separates from service, distribution may not be made earlier than 6 months after the date of separation from service or upon death. Any payment hereunder shall commence not later than the end of the calendar year which includes the date or occurrence of an event which entitles the Participant to a distribution under the Plan, or if later, ninety (90) days following such date or event.
- (b) Any change to a current election as to timing or form of payment shall only be permitted if made more than 12 months prior to the date payment would otherwise commence. Any such election may not take effect for at least 12 months following the date of the election. Furthermore, the original payment start date shall be delayed for at least 5 years. In no event shall any election to change the timing or form of payment result in an impermissible acceleration of payments as provided in Section 7.7 hereof. Provided, however, in accordance with the transitional guidance set forth in IRS Notice 2007-86, a Participant may, on or before December 31, 2008, change elections with respect to timing and form of payment provided any such election made on or after January 1, 2008 and on or before December 31, 2008 applies only to amounts that would not otherwise be payable in 2008 and may not cause an amount to be paid in 2008 that would not otherwise be payable in 2008.

## **7.7 Prohibition on Acceleration of Payments**

- (a) Except as provided in paragraph (b) of this Section 7.7, in no event shall any election under Section 7.6 (b) be permitted which would result in an acceleration of the time or schedule of any payment under the Plan.

- (b) Notwithstanding anything in this Section 7.7 to the contrary, acceleration of the time or schedule of payments under the Plan shall be permitted in the following circumstances:
- (1) Payment to an individual other than the Plan Participant as may be necessary to fulfill a domestic relations order (as defined in Code Section 414(p)(1)(B));
  - (2) Payment as may be necessary to comply with a certificate of divestiture (as defined in Code Section 1043(b)(2));
  - (3) Payment of de minimis and specified amounts provided that such payment accompanies the termination of the entirety of the Participant's interest in the Plan, the payment is made on or before the later of December 31 of the calendar year in which the Participant's separation from service occurs or the date which is 2 1/2 months after the Participant's separation from service and the payment is made in a single lump sum which is not greater than \$10,000; and
  - (4) Payment of certain employment taxes imposed under Code Sections 3101 and 3121(v)(2) on compensation deferred under the Plan, as well as any associated income tax imposed under Code Section 3401.

#### **7.8 Beneficiary**

Any designation of a Beneficiary or Beneficiaries shall be made by a Participant on the Designation of Beneficiary Form filed with the Plan Administrator and may be changed by the Participant at any time by filing another Designation of Beneficiary section of the Enrollment Form containing the revised instructions. If no Beneficiary is designated or no designated Beneficiary survives the Participant, any payment due under the Plan shall be made in a single lump sum to the Participant's surviving spouse, or if none to the Participant's surviving children in equal shares, or if none to the Participant's estate.

#### **7.9 Withholding of Taxes**

The Company shall withhold any applicable federal, state or local taxes from payments made pursuant to this Article VII, and as instructed by Participant.

### **ARTICLE VIII—PLAN ADMINISTRATION**

#### **8.1 Company Duties**

The Company may delegate to a plan administrator the responsibility of administering the Plan. The Company shall be responsible for determining the criteria for Participant eligibility under the Plan, for determining the investment fund options for the Plan, for determining the criteria for Employer Contributions made under the Plan, and for establishing with any plan administrator the Plan's claims and appeals procedures.

## **8.2 Plan Administration and Interpretation**

The Plan Administrator shall oversee the administration of the Plan. The Plan Administrator shall have complete control and authority to determine the rights and benefits of all claims, demands and actions arising out of the provisions of the Plan of any Participant, Beneficiary, deceased Participant, or other person having or claiming to have any interest under the Plan. The Plan Administrator shall have complete discretion to interpret the Plan and to decide all matters under the Plan. Such interpretation and decision shall be final, conclusive and binding on all Participants and any person claiming under or through any Participant, in the absence of clear and convincing evidence that the Plan Administrator acted arbitrarily and capriciously. Any individual(s) serving as Plan Administrator who is a Participant will not vote or act on any matter relating solely to him or herself. When making a determination or calculation, the Plan Administrator shall be entitled to rely on information furnished by a Participant, a Beneficiary, the Company or the Trustee. The Plan Administrator shall have the responsibility for complying with any reporting and disclosure requirements of ERISA.

## **8.3 Powers, Duties, Procedures, Etc. of Plan Administrator**

The Plan Administrator shall have such powers and duties, may adopt such rules and tables, may act in accordance with such procedures, may appoint such officers or agents, may delegate such powers and duties, may receive such reimbursements and compensation, and shall follow such claims and appeal procedures with respect to the Plan as may be established by the Company.

## **8.4 Information**

To enable the Plan Administrator to perform its functions, the Company shall supply full and timely information to the Plan Administrator on all matters relating to the compensation of Participants, their employment, Retirement, death, termination of employment, and such other pertinent facts as the Plan Administrator may require.

## **8.5 Indemnification of the Plan Administrator**

The Company agrees to indemnify and hold harmless and to defend to the fullest extent permitted by law any officer(s) or employee(s) who serve as Plan Administrator (including any such individual who formerly served as Plan Administrator) against all liabilities, damages, costs and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by the Company) occasioned by any act or omission to act in connection with the Plan, if such act or omission was in good faith.

## **8.6 Plan Administration Expenses**

Any expense incurred by the Company, or the Plan Administrator relative to the administration of this Plan shall be paid by the Company.

## 8.7 Claims Procedure

The following claims procedure shall apply to the Plan:

- (a) Filing of a Claim for Benefits. The Participant or beneficiary shall make a written claim addressed to the Plan Administrator for the benefits provided under the Plan in the manner provided in the Plan.
- (b) Claim Approval or Denial With Respect to Plan Benefits. With respect to a claim for benefits, the Plan Administrator shall review and make decisions on claims for benefits. The Plan Administrator shall have complete and sole discretionary authority to determine eligibility for benefits and to construe the terms of the Plan.
- (c) Notification to Claimant of Decision. If a claim is wholly or partially denied, notice of the decision, meeting the requirements of paragraph d. following, shall be furnished to the claimant within a reasonable period of time after the claim has been filed.
- (d) Content of Notice. The Plan Administrator shall provide to any claimant whose claim for benefits is denied in whole or in part a written notice setting forth, in a manner calculated to be understood by the claimant, the following:
  - (1) the specific reason or reasons for the denial or partial denial;
  - (2) specific reference to pertinent Plan provisions on which the denial is based;
  - (3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and,
  - (4) an explanation of the Plan's claim review procedure, as set forth in paragraphs (e) and (f) following.
- (e) Review Procedure. The purpose of the review procedure set forth in this paragraph and in paragraph (f) following is to provide a procedure by which a claimant under the Plan may have a reasonable opportunity to appeal a denial or partial denial of a claim and request a full and fair review of the Plan Administrator's decision by the Executive Committee. To accomplish that purpose, the claimant or a duly authorized representative:
  - (1) must request a review by written application addressed to the Plan Administrator;
  - (2) may review pertinent Plan documents or agreements; and,
  - (3) may submit issues and comments in writing.

A claimant (or duly authorized representative) must request a review within sixty (60) days after receipt by the claimant of the Plan Administrator's written notice of the denial of his or her claim, or the Plan Administrator's decision shall be final.

- (f) Decision on Review. The Executive Committee's decision on review of a denial of a claim shall be made in the following manner.
- (1) The decision on review shall be made by the Executive Committee, which may in its discretion hold a hearing on the denied claim. The Executive Committee shall make its decision promptly, unless special circumstances (such as the need to hold a hearing) require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but no later than one hundred twenty (120) days after receipt of the request for review.
  - (2) The Executive Committee's decision on review shall be in writing, and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Policy or Plan provisions on which the decision is based.

## **ARTICLE IX—AMENDMENT AND TERMINATION OF PLAN**

### **9.1 Amendments**

The Company reserves the right at any time to modify, amend or terminate the Plan, in whole or in part, subject to Section 9.3, by an instrument in writing which has been executed on the Company's behalf by a duly authorized officer.

### **9.2 Termination of Plan**

- (a) The Plan is strictly a voluntary undertaking on the part of the Company and shall not be deemed to constitute a contract between the Company and any Eligible Employee (or any other employee) or a consideration for, or an inducement or condition of employment for, the performance of the services by any Eligible Employee (or other employee). The Company reserves the right to terminate the Plan at any time, subject to Section 9.3, by an instrument in writing which has been executed on the Company's behalf by a duly authorized officer.
- (b) Upon termination, the Company may (1) elect to continue to maintain the Trust to pay benefits hereunder as they become due as if the Plan had not terminated or (2) direct the Trustee to immediately pay to each Participant (or Beneficiary) in a lump-sum payment the vested balance in the Participant's Account notwithstanding any Election Form or Beneficiary Designation providing for annual installment payments. For purposes of the preceding sentence, in the event the Company chooses to implement clause (1), the Account balances of all Participants who are in the employ of the Company at the time the Trustee is directed to pay such balances, shall remain fully vested and nonforfeitable.

After Participants and their Beneficiaries are paid all Plan benefits to which they are entitled, any and all remaining assets of the Trust shall be returned to the Company.

### **9.3 Existing Rights**

No modification, amendment or termination of the Plan shall adversely affect the rights of any Participant with respect to amounts that have been credited to his or her Account prior to the date of such modification, amendment or termination.

## **ARTICLE X—MISCELLANEOUS**

### **10.1 No Funding**

The Plan constitutes a mere promise by the Company to make payments in accordance with the terms of the Plan and Participants and Beneficiaries shall have the status of general unsecured creditors of the Company. Nothing in the Plan will be construed to give any Participant or any other person rights to any specific assets of the Company. In all events, it is the intent of the Company that the Plan be treated as unfunded for tax purposes and for purposes of Title I of ERISA.

### **10.2 Nonassignability**

None of the benefits, payments, proceeds or claims of any Participant or Beneficiary shall be subject to any claim of any creditor of any Participant or Beneficiary and, in particular, the same shall not be subject to attachment or garnishment or other legal process by any creditor of such Participant or Beneficiary, nor shall any Participant or Beneficiary have any right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments or proceeds which he or she may expect to receive, contingently or otherwise, under the Plan.

### **10.3 Location of Participant or Beneficiary Unknown**

Each Participant shall keep the Company informed of his current address and the current address of his or her spouse. The Company shall not be obligated to search for the whereabouts of any person. If the location of a Participant is not made known to the Company within three years after the date on which payment of the Participant's Plan benefit may first be made, payment may be made as though the Participant had died at the end of such three-year period. If, within one additional year after such three-year period has elapsed, or within three years after the actual death of a Participant, the Company is unable to locate any beneficiary of the Participant, the Company shall have no further obligation to pay any benefit hereunder to such Participant or Beneficiary or any other person and such benefit shall be irrevocably forfeited.



#### **10.4 Employment Status**

Nothing contained in the Plan shall confer upon any person a right to be employed or to continue in the employ of the Company, or interfere in any way with the right of the Company to terminate the employment of a Participant in the Plan at any time, with or without Cause.

#### **10.5 Participants Bound**

Any action with respect to the Plan taken by the Plan Administrator or the Company or the Trustee or any action authorized by or taken at the direction of the Plan Administrator, the Company or the Trustee, shall be conclusive upon all Participants and Beneficiaries entitled to benefits under the Plan.

#### **10.6 Receipt and Release**

Any payment to any Participant or Beneficiary in accordance with the provisions of the Plan shall, to the extent thereof, be in full satisfaction of all claims against the Company, the Plan Administrator and the Trustee under the Plan, and the Plan Administrator may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect. If any Participant or Beneficiary is determined by the Plan Administrator to be incompetent by reason of physical or mental disability (including minority) to give a valid receipt and release, the Plan Administrator may cause the payment or payments becoming due to such person to be made to another person for his or her benefit without responsibility on the part of the Plan Administrator, the Company or the Trustee to follow the application of such funds.

#### **10.7 Governing Law**

The Plan shall be constructed, administered, and governed in all respects under and by the laws of the Commonwealth of Massachusetts, in accordance with its express intent, and without any reference to principles of conflict of laws, except to the extent preempted by federal law.

#### **10.8 Validity and Severability**

The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision of this Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction, shall not invalidate or render unenforceable such provision in any other jurisdiction.

#### **10.9 Headings and Subheadings**

Headings and subheadings in this Plan are inserted for convenience only and are not to be considered in the construction of the provisions hereof.

**IN WITNESS WHEREOF**, the Company has caused this instrument to be signed by its duly authorized officers on the 20th day of November, 2008.

**CASUAL MALE RETAIL GROUP, INC.**

/s/ DENNIS R. HERNREICH

By: Dennis R. Hernreich

Title Executive Vice President, Chief Operating  
Officer, Chief Financial Officer and  
Treasurer

**CMRG APPAREL, LLC**

/s/ DENNIS R. HERNREICH

By: Dennis R. Hernreich

Title Executive Vice President, Chief Operating  
Officer, Chief Financial Officer and  
Treasurer

## CERTIFICATION

I, David A. Levin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Casual Male Retail Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 21, 2008

/s/ DAVID A. LEVIN

David A. Levin  
Chief Executive Officer

## CERTIFICATION

I, Dennis R. Hernreich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Casual Male Retail Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 21, 2008

/s/ DENNIS R. HERNREICH

Dennis R. Hernreich  
Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Casual Male Retail Group, Inc. (the "Company") for the period ended November 1, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David A. Levin, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being furnished as an exhibit to the Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except to the extent that the Company specifically incorporates this certification by reference.

Dated: November 21, 2008

/s/ DAVID A. LEVIN

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David A. Levin  
Chief Executive Officer

*A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.*

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Casual Male Retail Group, Inc. (the "Company") for the period ended November 1, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dennis R. Hernreich, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being furnished as an exhibit to the Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except to the extent that the Company specifically incorporates this certification by reference.

Dated: November 21, 2008

/s/ DENNIS R. HERNREICH

Dennis R. Hernreich  
Chief Financial Officer

*A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.*