BURLINGTON COAT FACTORY WAREHOUSE CORP
Form DEFM14A
March 13, 2006
Table of Contents

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) Of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to Section 240.14a-12

BURLINGTON COAT FACTORY WAREHOUSE CORPORATION

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

¨ No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

x Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Table of Contents

BURLINGTON COAT FACTORY WAREHOUSE CORPORATION

1830 ROUTE 130

BURLINGTON, NEW JERSEY 08016

March 10, 2006

Dear Stockholder:

You are cordially invited to attend the special meeting of stockholders of Burlington Coat Factory Warehouse Corporation (the Company) to be held at 9:00 a.m., Eastern Time, on Monday, April 10, 2006 at the offices of the Company, 1830 Route 130, Burlington, New Jersey 08016.

At the special meeting you will be asked to consider and vote upon a proposal to adopt an Agreement and Plan of Merger, dated as of January 18, 2006 (as it may be amended from time to time, the Merger Agreement), pursuant to which BCFWC Acquisition, Inc., a Delaware corporation, has agreed to acquire the Company in a cash merger. BCFWC Acquisition, Inc. is a new corporation formed for this purpose by Bain Capital Partners, LLC. If the Company s stockholders adopt the Merger Agreement and the merger is completed, you will receive $45.50 in cash, without interest, for each share of the Company s common stock you own (unless you have properly exercised your appraisal rights with respect to the merger).

Your Board of Directors has unanimously determined that the Merger Agreement is advisable, has approved and adopted the Merger Agreement and recommends that you vote FOR the adoption of the Merger Agreement.

The accompanying proxy statement provides you with detailed information about the proposed merger and the special meeting. Please give this material your careful attention. You may also obtain more information about the Company from documents we have filed with the Securities and Exchange Commission.

Your Board of Directors has fixed the close of business on March 8, 2006 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting. Whether or not you plan to attend the special meeting, please fill in, date, sign and return the enclosed proxy which is solicited by, and on behalf of, the Board of Directors. The failure to vote has the same effect as a vote against the adoption of the Merger Agreement.

Thank you for your cooperation and continued support.

Sincerely,

Monroe G. Milstein

Chairman of the Board, Chief Executive Officer

and President

Burlington, New Jersey

March 10, 2006

THIS PROXY STATEMENT IS DATED MARCH 10, 2006 AND IS FIRST BEING MAILED TO STOCKHOLDERS ON OR ABOUT MARCH 13, 2006.

Table of Contents

BURLINGTON COAT FACTORY WAREHOUSE CORPORATION

1830 ROUTE 130

BURLINGTON, NEW JERSEY 08016

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

Burlington, New Jersey

March 10, 2006

To the Stockholders of

BURLINGTON COAT FACTORY WAREHOUSE CORPORATION

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Burlington Coat Factory Warehouse Corporation, a Delaware corporation (the Company), will be held at 9:00 a.m., Eastern Time, on Monday, April 10, 2006 at the offices of the Company, 1830 Route 130, Burlington, New Jersey 08016 for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of January 18, 2006 (as it may be amended from time to time, the Merger Agreement), by and among the Company, BCFWC Acquisition, Inc., a Delaware corporation (Parent), and BCFWC Mergersub, Inc., a Delaware corporation and a wholly-owned subsidiary of Parent (Merger Sub). A copy of the Merger Agreement is attached as Appendix A to the accompanying proxy statement. Pursuant to the terms of the Merger Agreement, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and becoming a wholly-owned subsidiary of Parent, and each share of common stock of the Company, other than those shares held by stockholders, if any, who properly exercise their appraisal rights under Delaware law, will be converted into the right to receive $45.50 in cash without interest.

2. To transact such other business as may properly come before the special meeting or any adjournment or postponement of the meeting.

Only stockholders of record at the close of business on March 8, 2006 are entitled to notice of and to vote at the special meeting and at any adjournment or postponement of the special meeting. All stockholders of record are cordially invited to attend the special meeting in person. Whether or not you plan to attend the special meeting, you are urged to vote your shares by marking, signing, dating and returning the proxy card as promptly as possible in the postage prepaid envelope enclosed for that purpose. The failure to vote has the same effect as a vote against the adoption of the Merger Agreement. Any stockholder attending the special meeting may vote in person even if he or she has returned a proxy card.

The Company s stockholders have the right to dissent from the merger and obtain payment in cash of the fair value of their shares of common stock under applicable provisions of Delaware law. In order to perfect and exercise appraisal rights, stockholders must give written demand for appraisal of their shares before the taking of the vote on the merger at the special meeting and must not vote in favor of the merger. A copy of the applicable Delaware statutory provisions is included as Appendix D to the accompanying proxy statement, and a summary of these provisions can be found under Dissenters Rights of Appraisal in the accompanying proxy statement.

By Order of the Board of Directors

Paul C. Tang

Secretary

Please do not send your stock certificates at this time. If the Merger Agreement is adopted, you will be sent instructions regarding the surrender of your stock certificates.

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers address briefly some questions you may have regarding the special meeting and the proposed merger. These questions and answers may not address all questions that may be important to you as a stockholder of Burlington Coat Factory Warehouse Corporation. Please refer to the more detailed information contained elsewhere in this proxy statement, the appendices to this proxy statement and the documents referred to or incorporated by reference in this proxy statement. In this proxy statement, the terms Company, we, our, ours, and us refer to Burlington Coat Factory Warehouse Corporation.

Q: What is the proposed transaction?

A: The proposed transaction is the acquisition of the Company pursuant to an Agreement and Plan of Merger (as it may be amended from time to time, the Merger Agreement), dated as of January 18, 2006, by and among the Company, BCFWC Acquisition, Inc. (Parent), and BCFWC Mergersub, a wholly-owned subsidiary of Parent (Merger Sub). Parent and Merger Sub are newly-formed affiliates of Bain Capital Partners, LLC. If the Merger Agreement is adopted by the Company s stockholders and the other closing conditions under the Merger Agreement have been satisfied or waived, Merger Sub will merge with and into the Company (the Merger). The Company will be the surviving corporation in the Merger (the surviving corporation) and will become a wholly-owned subsidiary of Parent.

Q: What will I receive in the Merger?

A: Upon completion of the Merger, you will receive $45.50 in cash, without interest, for each share of our common stock that you own. For example, if you own 100 shares of our common stock, you will receive $4,550 in cash in exchange for your Company shares.

Q: Where and when is the special meeting?

A: The special meeting will be held at 9:00 a.m., Eastern Time, on Monday, April 10, 2006 at the offices of the Company, 1830 Route 130, Burlington, New Jersey 08016.

Q: What vote of our stockholders is required to adopt the Merger Agreement?

A: For us to complete the Merger, stockholders holding at least a majority of the shares of our common stock outstanding at the close of business on the record date must vote FOR the adoption of the Merger Agreement. Accordingly, failure to vote or an abstention will have the same effect as a vote against adoption of the Merger Agreement. Members of the Milstein family and affiliated entities, representing approximately 60.9% of the outstanding shares of our common stock, have entered into a voting agreement with Parent pursuant to which they have agreed to vote (and have granted Parent a proxy to vote) all their shares in favor of the adoption of the Merger Agreement, unless the Merger Agreement is terminated in accordance with its terms.

Q: How does the Company s Board of Directors recommend that I vote?

A: Our Board of Directors unanimously recommends that our stockholders vote FOR the adoption of the Merger Agreement. You should read The Merger Reasons for the Merger for a discussion of the factors that our Board of Directors considered in deciding to recommend the adoption of the Merger Agreement.

Q: What do I need to do now?

A: We urge you to read this proxy statement carefully, including its appendices, and to consider how the Merger affects you. If you are a stockholder of record, then you can ensure that your shares are voted at the special meeting by submitting your proxy via the mail, by marking, signing, dating and mailing each proxy card and returning it in the envelope provided.

Table of Contents

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: Yes, but only if you provide instructions to your broker on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Without those instructions, your shares will not be voted, which will have the same effect as voting against the Merger.

Q: How do I revoke or change my vote?

A: You can change your vote at any time before your proxy is voted at the special meeting. You may revoke your proxy by notifying the Secretary of the Company in writing or by submitting a new proxy by mail, in each case, dated after the date of the proxy being revoked. In addition, your proxy may be revoked by attending the special meeting and voting in person. However, simply attending the special meeting will not revoke your proxy. If you have instructed a broker to vote your shares, the above-described options for changing your vote do not apply, and instead you must follow the instructions received from your broker to change your vote.

Q: What does it mean if I get more than one proxy card?

A: If your shares are registered differently and are in more than one account, you will receive more than one card. Please complete and return all of the proxy cards you receive to ensure that all of your shares are voted.

Q: When do you expect the Merger to be completed?

A: We are working to complete the Merger as soon as possible, subject to receipt of stockholder approval and satisfaction of the other closing conditions under the Merger Agreement. See The Merger Agreement Conditions to the Merger.

Q: Should I send in my stock certificates now?

A: No. Shortly after the Merger is completed, you will receive a letter of transmittal with instructions informing you how to send in your stock certificates to the paying agent in order to receive the Merger consideration. You should use the letter of transmittal to exchange stock certificates for the Merger consideration to which you are entitled as a result of the Merger. DO NOT SEND ANY STOCK CERTIFICATES WITH YOUR PROXY.

Q: Who can help answer my other questions?

A: If you have more questions about the Merger, need assistance in submitting your proxy or voting your shares or need additional copies of the proxy statement or the enclosed proxy card, you should contact the Secretary of the Company, telephone: (609) 387-7800. If your broker holds your shares, you should also call your broker for additional information.

Table of Contents

SUMMARY

This summary highlights selected information from the proxy statement and may not contain all of the information that is important to you. You should carefully read the entire proxy statement to fully understand the Merger. The Merger Agreement is attached as Appendix A to this proxy statement. We encourage you to read the Merger Agreement because it is the legal document that governs the Merger. Each item in this summary includes a page reference directing you to a more complete description of that item.

PARTIES TO THE MERGER (PAGE 9)

Burlington Coat Factory Warehouse Corporation

1830 Route 130

Burlington, New Jersey 08016

Telephone: (609) 387-7800

The Company offers a broad selection of branded apparel and other merchandise at everyday low pricing across many product divisions, including coats, ladies sportswear, menswear, family footwear, baby furniture and accessories, and home decor and gifts. Burlington Coat Factory, founded in 1972 by the Milstein family, has expanded from a single store selling coats to a multi-department retail chain with 366 stores as of March 1, 2006 (exclusive of three stores temporarily closed due to damage caused by Hurricanes Katrina and Wilma) in 42 states, predominantly under the Burlington Coat Factory name. The Company also offers merchandise for sale through its Internet subsidiary, Burlington Coat Factory Direct Corporation, on the worldwide web (www.burlingtoncoatfactory.com and www.babydepot.com). The Company s policy of buying significant quantities of merchandise throughout the year, maintaining inventory control and using a no-frills merchandising approach, allows it to offer merchandise at prices below traditional full retail prices. The Company is incorporated in the state of Delaware.

BCFWC Acquisition, Inc.

111 Huntington Avenue

Boston, Massachusetts 02199

Telephone: (617) 516-2000

Parent is a Delaware corporation formed by Bain Capital Partners, LLC (Bain Capital). Parent was organized solely for the purpose of entering into the Merger Agreement and consummating the transactions contemplated by the Merger Agreement. It has not conducted any activities to date other than activities incidental to its formation and in connection with the transactions contemplated by the Merger Agreement.

BCFWC Mergersub, Inc.

111 Huntington Avenue

Boston, Massachusetts 02199

Telephone: (617) 516-2000

Merger Sub is a Delaware corporation wholly-owned by Parent. Merger Sub was organized solely for the purpose of entering into the Merger Agreement and consummating the transactions contemplated by the Merger Agreement. It has not conducted any activities to date other than activities incidental to its formation and in connection with the transactions contemplated by the Merger Agreement.

THE MERGER (PAGES 11 AND 34)

You are being asked to vote to adopt the Merger Agreement. The Merger Agreement provides that Merger Sub will be merged with and into the Company, and each outstanding share of the common stock, par value $1.00 per share, of the Company (Company common stock) (other than shares held in the treasury of the

Table of Contents

Company and other than shares held by a stockholder who properly demands statutory appraisal rights), will be converted into the right to receive $45.50 in cash, without interest.

THE SPECIAL MEETING OF STOCKHOLDERS (PAGE 10)

Place, Date and Time. The special meeting will be held at 9:00 a.m., Eastern Time, on Monday, April 10, 2006 at the offices of the Company, 1830 Route 130, Burlington, New Jersey 08016.

What Vote is Required for Adoption of the Merger Agreement. The adoption of the Merger Agreement requires the approval of the holders of a majority of the outstanding shares of Company common stock entitled to vote thereon. The failure to vote has the same effect as a vote against adoption of the Merger Agreement. Stockholders who together own approximately 60.9% of the outstanding shares of Company common stock have agreed to vote (and have granted Parent a proxy to vote) all their shares in favor of the adoption of the Merger Agreement. See The Voting Agreement.

Who Can Vote at the Meeting. You can vote at the special meeting all of the shares of Company common stock you own of record as of March 8, 2006, which is the record date for the special meeting. If you own shares that are registered in someone else s name (for example, a broker), you need to direct that person to vote those shares or obtain an authorization from them and vote the shares yourself at the meeting. As of the close of business on March 8, 2006, there were 44,770,813 shares of Company common stock outstanding held by approximately 209 holders of record.

Procedure for Voting. You can vote your shares by attending the special meeting and voting in person or by mailing the enclosed proxy card. You may revoke your proxy at any time before the vote is taken at the meeting. To revoke your proxy, you must either advise the Secretary of the Company in writing, or deliver a new proxy dated after the date of the proxy being revoked, before your Company common stock has been voted at the special meeting, or attend the meeting and vote your shares in person. Merely attending the special meeting will not constitute revocation of your proxy.

If your shares are held in street name by your broker, you should instruct your broker on how to vote your shares using the instructions provided by your broker. If you do not instruct your broker to vote your shares, it has the same effect as a vote AGAINST adoption of the Merger Agreement.

EFFECTIVE TIME OF THE MERGER (PAGE 35)

We are working to complete the Merger as soon as possible, subject to receipt of stockholder approval and satisfaction of the closing conditions under the Merger Agreement, including the conditions described below under The Merger Agreement Conditions to the Merger.

BOARD RECOMMENDATION (PAGE 18)

After careful consideration, the Company s Board of Directors (the Board of Directors), by unanimous vote:

has determined that the Merger Agreement is advisable;

has approved the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement; and

recommends that the Company s stockholders vote FOR the adoption of the Merger Agreement.

FAIRNESS OPINION (PAGE 22)

Goldman, Sachs & Co. (Goldman Sachs) delivered its opinion to the Board of Directors that, as of January 18, 2006 and based upon and subject to the factors and assumptions set forth therein, the $45.50 per share in cash to be received by the holders of the outstanding shares of Company common stock pursuant to the Merger Agreement was fair from a financial point of view to those holders.

Table of Contents

The full text of the written opinion of Goldman Sachs, dated January 18, 2006, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Appendix C to this proxy statement. Goldman Sachs provided its opinion for the information and assistance of the Board of Directors in connection with its consideration of the Merger. The Goldman Sachs opinion is not a recommendation as to how any holder of Company common stock should vote with respect to the Merger.

FINANCING (PAGE 20)

In connection with the execution and delivery of the Merger Agreement, Parent obtained commitments to provide approximately $2.075 billion in debt financing, not all of which is expected to be drawn at the closing of the Merger. The debt financing consists of (a) an $800 million senior secured revolving credit facility, (b) a $775 million senior secured term loan facility and (c) either (i) a combination of $200 million in gross proceeds from the issuance and sale of senior unsecured notes and $300 million in gross proceeds from the issuance and sale of senior subordinated unsecured notes or (ii) if such notes are not issued, then $200 million of senior unsecured bridge loans under a senior bridge facility and $300 million of senior subordinated unsecured bridge loans under a subordinated bridge facility. In addition, Parent has obtained an aggregate of up to $500 million in equity commitments from affiliates of Bain Capital.

VOTING AGREEMENT (PAGE 49)

In connection with the Merger, Samgray, L.P., Article Sixth Trust, MM 2005 Intangibles Trust, MHLAS Limited Partnership No. 1, MH Family LLC, Andrew Milstein, Stephen Milstein and Lazer Milstein (the Milstein Stockholders) have entered into a voting agreement with Parent, dated as of January 18, 2006 (as it may be amended from time to time, the Voting Agreement). Pursuant to the Voting Agreement, the Milstein Stockholders have agreed to vote (and have granted to Parent a proxy to vote) all their shares of Company common stock in favor of the adoption of the Merger Agreement, unless the Merger Agreement is terminated in accordance with its terms. As of March 8, 2006, 27,251,340 shares of Company common stock, or approximately 60.9% of the outstanding shares, were subject to the Voting Agreement. A copy of the Voting Agreement is attached as Appendix B to this proxy statement.

TREATMENT OF STOCK OPTIONS (PAGE 35)

The Merger Agreement provides that each outstanding stock option that remains unexercised as of the completion of the Merger, whether or not the option is vested and exercisable, will be canceled, and the holder of such stock option will be entitled to receive a cash payment, without interest and less applicable withholding taxes, equal to the product of:

- the number of shares of Company common stock subject to the option as of the effective time of the Merger, multiplied by
- the excess, if any, of the greater of (A) $45.50 or (B) in the case of any nonqualified stock option, the Adjusted Fair Market Value (as defined in the applicable Company option plan) of each share of Company common stock subject to such option, over the exercise price per share of Company common stock subject to such option.

If the amount of such product is zero, no payment will be made.

INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS IN THE MERGER (PAGE 18)

In considering the recommendation of the Board of Directors with respect to the Merger, you should be aware that some of the Company s directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of our stockholders generally. These interests, to the extent material, are described below under The Merger Interests of the Company s Directors and Executive Officers in the Merger. The Board of Directors was aware of these interests and considered them, among other matters, in approving the Merger Agreement and the Merger.

Table of Contents

SHARES HELD BY DIRECTORS AND EXECUTIVE OFFICERS (PAGES 49 AND 50)

As of March 8, 2006, the directors and executive officers of the Company owned approximately 61.1% of the shares of Company common stock entitled to vote at the special meeting. Each of them has advised us that they plan to vote all of their shares in favor of the adoption of the Merger Agreement. Certain directors and executive officers are also parties to the Voting Agreement.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES (PAGE 33)

The Merger will be a taxable transaction to you. For United States federal income tax purposes, your receipt of cash in exchange for your shares of Company common stock generally will result in your recognizing gain or loss measured by the difference, if any, between the cash you receive in the Merger and your tax basis in your shares of Company common stock. You should consult your own tax advisor for a full understanding of the Merger s tax consequences that are particular to you.

PROCEDURE FOR RECEIVING MERGER CONSIDERATION (PAGE 36)

Parent will appoint a paying agent reasonably acceptable to us to coordinate the payment of the cash Merger consideration following the Merger. Promptly after the effective time of the Merger, the paying agent will mail a letter of transmittal and instructions to you and the other stockholders. The letter of transmittal and instructions will tell you how to surrender your Company common stock certificates in exchange for the Merger consideration. Please do not send in your share certificates now.

NO SOLICITATION OF ALTERNATIVE PROPOSALS (PAGE 40)

The Merger Agreement contains certain restrictions on our ability to solicit or engage in discussions or negotiations with a third party regarding specified transactions involving the Company. Notwithstanding these restrictions, under certain circumstances, the Board of Directors may (i) respond to an unsolicited bona fide written proposal for an alternative acquisition or terminate the Merger Agreement and (ii) enter into an agreement with respect to a superior proposal (in which case the Company will be required to pay a $70 million termination fee to Parent). If the Merger Agreement terminates, the Voting Agreement will also terminate.

CONDITIONS TO COMPLETING THE MERGER (PAGE 45)

Before we can complete the Merger, a number of conditions must be satisfied. These conditions include:

- adoption of the Merger Agreement by our stockholders;

no governmental entity having enacted any law or regulation, or issued any judgment, order, writ, decree or injunction, that prohibits the completion of the Merger;

the performance, in all material respects, by all parties to the Merger Agreement of their respective agreements and covenants in the Merger Agreement, and the representations and warranties of the Company, Parent and Merger Sub in the Merger Agreement being true and correct, subject to various materiality qualifications;

the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act) (this condition was satisfied on February 10, 2006);

Monroe Milstein, Andrew Milstein and Stephen Milstein having entered into non-competition and non-solicitation agreements with Parent;

no governmental entity having initiated any proceeding or investigation seeking to prevent the completion of the Merger; and

Table of Contents

holders of no more than 5% of the outstanding shares of Company common stock having exercised (and not withdrawn or failed to perfect) appraisal rights under Delaware law.

TERMINATION OF THE MERGER AGREEMENT (PAGE 46)

The Company and Parent can agree to terminate the Merger Agreement without completing the Merger, even if our stockholders have adopted the Merger Agreement. The Merger Agreement may also be terminated in certain other circumstances, including:

by either Parent or the Company, if:

any governmental entity has issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the Merger and such order or other action is final and non-appealable;

the closing has not occurred on or before June 30, 2006, except that under certain conditions such date will be extended to August 14, 2006 (the Outside Date);

any state or federal law, order, rule or regulation is adopted or issued which has the effect of prohibiting the Merger;

our stockholders do not adopt the Merger Agreement at the special meeting or any postponement or adjournment thereof;

there is a material breach by the non-terminating party of any of its representations, warranties, covenants or agreements in the Merger Agreement such that the closing conditions would not be satisfied and such breach has not been cured within 45 days following notice by the terminating party or cannot be cured by the Outside Date;

by the Company, if the Company s Board of Directors approves a superior proposal in accordance with the terms of the Merger Agreement; and

by Parent, if the Company s Board of Directors withdraws or modifies in a manner adverse to Parent its recommendation that the Company s stockholders adopt the Merger Agreement or recommends to stockholders an alternative proposal or superior proposal, or the Company enters into a definitive agreement with respect thereto.

TERMINATION FEES (PAGE 47)

We will be required to pay a termination fee of $70 million to Parent if the Merger Agreement is terminated under certain circumstances, and Parent will be required to pay a termination fee of $70 million to us if the Merger Agreement is terminated under certain other circumstances.

THE COMPANY S STOCK PRICE (PAGE 50)

The Company common stock is listed on the New York Stock Exchange (NYSE) under the trading symbol BCF. On June 24, 2005, which was the trading day immediately prior to the date on which we announced that the Board of Directors was exploring possible strategic alternatives for the Company to enhance stockholder value, the Company common stock closed at $36.04 per share. On January 17, 2006, which was the last trading day before we announced the Merger Agreement, the Company common stock closed at $44.58 per share. On March 9, 2006, which was the last trading day before this proxy statement was printed, the closing price per share of Company common stock on the NYSE was $45.20.

DISSENTERS RIGHTS OF APPRAISAL (PAGE 54)

The Delaware General Corporation Law (DGCL) provides you with appraisal rights in the Merger. This means that if you are not satisfied with the amount you are receiving in the Merger, you are entitled to have the

Table of Contents

value of your shares determined by the Delaware Court of Chancery and to receive payment based on that valuation. The ultimate amount you receive as a dissenting stockholder in an appraisal proceeding may be more or less than, or the same as, the amount you would have received in the Merger. To exercise your appraisal rights, you must deliver a written demand for appraisal to the Company before the Merger Agreement is voted on at the special meeting and you must not vote in favor of the adoption of the Merger Agreement. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your appraisal rights.

QUESTIONS

If you have additional questions about the Merger or other matters discussed in this proxy statement after reading this proxy statement, you should contact:

Burlington Coat Factory Warehouse Corporation

1830 Route 130

Burlington, NJ 08016

Attention: Secretary of the Company

Telephone: (609) 387-7800

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement, and the documents to which we refer you in this proxy statement, contain forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), which are intended to be covered by the safe harbors created thereby. There are forward looking statements throughout this proxy statement, including, among others, under the headings Questions and Answers About the Special Meeting and the Merger, Summary, The Merger, Opinion of the Company s Financial Advisor, Regulatory Approvals and Litigation, and in statements co the words believes, expects, anticipates, intends, estimates or other similar expressions.

You should be aware that forward-looking statements involve known and unknown risks and uncertainties. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that the actual results or developments we anticipate will be realized, or even if realized, that they will have the expected effects on the business or operations of the Company. These forward-looking statements speak only as of the date on which the statements were made.

In addition to other factors and matters contained or incorporated in this document, we believe the following factors could cause actual results to differ materially from those discussed in the forward-looking statements:

- the timing of, and regulatory and other conditions associated with, the completion of the Merger;

volatility in the stock markets;

proposed store openings and closings;

proposed capital expenditures;

projected financing requirements;

proposed developmental projects;

projected sales and earnings, and the Company s ability to maintain selling margins;

general economic conditions;

consumer demand;

consumer preferences;

Table of Contents

weather patterns;

competitive factors, including pricing and promotional activities of major competitors;

the availability of desirable store locations on suitable terms;

the availability, selection and purchasing of attractive merchandise on favorable terms;

import risks;

the Company s ability to control costs and expenses;

unforeseen computer related problems;

any unforeseen material loss or casualty;

the effect of inflation; and

other factors that may be described in the Company s filings with the Securities and Exchange Commission (the SEC).

The internal financial information that the Company provided to Goldman Sachs in connection with its opinion described below under Opinion of the Company s Financial Advisor was prepared by the Company s management. As a matter of policy, the Company does not publicly disclose internal management forecasts, projections or estimates of the type furnished to Goldman Sachs in connection with its opinion, and such forecasts, projections and estimates were not prepared with a view towards public disclosure. These forecasts, projections and estimates were based on numerous variables and assumptions which are inherently uncertain and many of which are beyond the control of the Company, including, without limitation, factors related to general economic, business, regulatory, and competitive conditions. They involve significant elements of subjective judgment which may or may not be correct. Accordingly, actual results can be expected to vary from those set forth in or implied by such forecasts, projections and estimates, and such variations may be material.

THE PARTIES TO THE MERGER

Burlington Coat Factory Warehouse Corporation

The Company offers a broad selection of branded apparel and other merchandise at everyday low pricing across many product divisions, including coats, ladies sportswear, menswear, family footwear, baby furniture and accessories, and home decor and gifts. Burlington Coat Factory, founded in 1972 by the Milstein family, has expanded from a single store selling coats to a multi-department retail chain with 366 stores as of March 1, 2006 (exclusive of three stores temporarily closed due to damage caused by Hurricanes Katrina and Wilma) in 42 states, predominantly under the Burlington Coat Factory name. The Company also offers merchandise for sale through its Internet subsidiary,

Burlington Coat Factory Direct Corporation, on the worldwide web (www.burlingtoncoatfactory.com and www.babydepot.com). The Company s policy of buying significant quantities of merchandise throughout the year, maintaining inventory control and using a no-frills merchandising approach, allows it to offer merchandise at prices below traditional full retail prices. The Company is a Delaware corporation with its principal executive offices at 1830 Route 130, Burlington, New Jersey 08016. The Company s telephone number is (609) 387-7800.

BCFWC Acquisition, Inc.

Parent is a Delaware corporation with its principal executive offices at 111 Huntington Avenue, Boston, Massachusetts 02199. Parent s telephone number is (617) 516-2000. Parent was formed solely for the purpose of entering into the Merger Agreement and consummating the transactions contemplated by the Merger Agreement. It has not conducted any activities to date other than activities incidental to its formation and in connection with the transactions contemplated by the Merger Agreement.

Table of Contents

BCFWC Mergersub, Inc.

Merger Sub is a Delaware corporation and a wholly-owned subsidiary of Parent. Merger