

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): February 7, 2003

Commission
File Number

Registrant, State of Incorporation
Address and Telephone Number

I.R.S. Employer
Identification No.

333-42427
- - - - -

J. CREW GROUP, INC.

22-2894486
- - - - -

(Incorporated in New York)
770 Broadway
New York, New York 10003
Telephone: (212) 209-2500

333-42423
- - - - -

J. CREW OPERATING CORP.

22-3540930
- - - - -

(Incorporated in Delaware)
770 Broadway
New York, New York 10003
Telephone: (212) 209-2500

Item 5. Other Events.

On February 7, 2003, J. Crew Group (the "Company"), J. Crew Operating Corp. and certain subsidiaries thereof, and Congress Financial Corporation, as Agent and as Lender, entered into an Amendment No. 1 (the "Amendment No. 1") to the Loan and Security Agreement, dated December 23, 2002, among Operating and certain subsidiaries thereof, as Borrowers, the Company and certain subsidiaries thereof, as Guarantors, Wachovia Bank, National Association, as Arranger, Congress Financial Corporation, as Administrative Agent and Collateral Agent, and the Lenders thereto. A copy of the Amendment No. 1 is attached hereto as Exhibit 10.1.

On February 12, 2003, Scott Gilbertson, the Company and the Company's majority stockholder entered into a Stockholders' Agreement, a copy of which is attached hereto as Exhibit 4.1.

Item 7. Exhibits.

- 4.1 Stockholders' Agreement, dated February 12, 2003, between Scott Gilbertson, J. Crew Group, Inc. and TPG Partners II, L.P.
- 10.1 Amendment No. 1, dated February 7, 2003, to Loan and Security Agreement between J. Crew Group, Inc., J. Crew Operating Corp. and certain subsidiaries thereof, and Congress Financial Corporation.

SIGNATURES

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

J. CREW GROUP, INC.

By /s/ Scott M. Rosen

Name: Scott M. Rosen
Title: Executive Vice-President
and Chief Financial Officer

Date: February 14, 2003

EXHIBIT INDEX

Exhibit No.	Description
4.1	Stockholders' Agreement, dated February 12, 2003, between Scott Gilbertson, J. Crew Group, Inc. and TPG Partners II, L.P.
10.1	Amendment No. 1, dated February 7, 2003, to Loan and Security Agreement between J. Crew Group, Inc., J. Crew Operating Corp. and certain subsidiaries thereof, and Congress Financial Corporation.

STOCKHOLDERS' AGREEMENT

STOCKHOLDERS' AGREEMENT (this "Agreement"), dated as of February 12, 2003, between J. Crew Group, Inc. (the "Company"), TPG Partners II, L.P. ("TPG") and Scott Gilbertson (the "Stockholder").

WHEREAS, the Stockholder is an employee of the Company and in such capacity is on the date hereof being granted restricted shares ("Restricted Shares") of common stock of the Company, \$.01 par value per share ("Common Stock"), and is being granted certain options (the "Options") to purchase shares of Common Stock, in each case pursuant to the Company's 2003 Equity Incentive Plan (the "2003 Plan"), and may be granted additional shares of Common Stock or rights to purchase Common Stock in the future in connection with his performance of services;

WHEREAS, as a condition to the issuance of the Restricted Shares and shares of Common Stock pursuant to the exercise of an Option, the Stockholder is required under the 2003 Plan to execute this Agreement; and

WHEREAS, the Stockholder and the Company desire to enter this Agreement and to have this Agreement apply to the shares to be acquired pursuant to the 2003 Plan and to any shares of Common Stock acquired after the date hereof by the Stockholder from whatever source, subject to any future agreement between the Company and the Stockholder to the contrary (in the aggregate, the "Shares").

NOW THEREFORE, in consideration of the premises hereinafter set forth, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows.

1. Investment. The Stockholder represents that the Shares are being acquired for investment and not with a view toward the distribution thereof.

2. Issuance of Shares. The Stockholder acknowledges and agrees that the certificate for the Shares shall bear the following legends (except that the second paragraph of this legend shall not be required after the Shares have been registered and except that the first paragraph of this legend shall not be required after the termination of this Agreement):

The shares represented by this certificate are subject to the terms and conditions of a Stockholders' Agreement dated as of February 12, 2003 and may not be sold, transferred, hypothecated, assigned or encumbered, except as may be permitted by the aforesaid Agreement. A copy of the Stockholders' Agreement may be obtained from the Secretary of the Company.

The shares represented by this certificate have not been registered under the Securities Act of 1933. The shares have been acquired for investment and may not be sold, transferred, pledged or hypothecated in the absence of an effective registration statement for the shares under the Securities Act of 1933 or an opinion of counsel for the Company that registration is not required under said Act.

Upon the termination of this Agreement, or upon registration of the Shares under the Securities Act of 1933 (the "Securities Act"), the Stockholder shall have the right to exchange any Shares containing the above legends (i) in the case of the registration of the Shares, for Shares legended only with the first paragraph described above and (ii) in the case of the termination of this Agreement, for Shares legended only with the second paragraph described above.

3. Transfer of Shares; Call Rights.

(a) The Stockholder agrees that he will not cause or permit the Shares or his interest in the Shares to be sold, transferred, hypothecated, assigned or encumbered except as expressly permitted by this Section 3; provided, however, that the Shares or any such interest may be transferred (i) on the Stockholder's death by bequest or inheritance to the Stockholder's executors, administrators, testamentary trustees, legatees or beneficiaries, (ii) to a trust or custodianship the beneficiaries of which may include only the Stockholder, the Stockholder's spouse, or the Stockholder's lineal descendants (by blood or adoption) and (iii) in accordance with Section 4 of this Agreement, subject in any such case to the agreement by each transferee (other than the Company) in writing to be bound by the terms of this Agreement and provided in any such case that no such transfer that would cause the Company to be required to register the Common Stock under Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), shall be permitted.

(b) The Company (or its designated assignee) shall have the right commencing on the later of (x) the termination of the Stockholder's employment with the Company for any reason and (y) one year following the date of the acquisition by the Stockholder of any Shares, to purchase from the Stockholder, and upon the exercise of such right the Stockholder shall sell to the Company (or its designated assignee), all or any portion of the Shares held by the Stockholder as of the date as of which such right is exercised at a per Share price equal to the Fair Market Value (as defined in the 2003 Plan) of a share of Common Stock determined as of the date as of which such right is exercised. The Company (or its designated assignee) shall exercise such right by delivering to the Stockholder a written notice specifying its intent to purchase Shares held by the Stockholder, the date as of which such right is to be exercised and the number of Shares to be purchased. Such purchase and sale shall occur on such date as the Company (or its designated assignee) shall specify which date shall not be later than ninety (90) days after the fiscal quarter-end immediately following the date as of which the Company's right is exercised.

4. Certain Rights.

(a) Drag Along Rights. If TPG desires to sell all or substantially all of its shares of Common Stock to a good faith independent purchaser (a "Purchaser") (other than any other investment partnership, limited liability company or other entity established for investment purposes and controlled by the principals of TPG or any of its affiliates and other than any employees of TPG or any of its affiliates, hereinafter referred to as a "Permitted Transferee") and said Purchaser desires to acquire all or substantially all of the issued and outstanding shares of Common Stock (or all or substantially all of the assets of the Company) upon such terms and conditions as agreed to with TPG, the Stockholder agrees to sell all of his Shares to said

Purchaser (or to vote all of his Shares in favor of any merger or other transaction which would effect a sale of such shares of Common Stock or assets of the Company) at the same price per share of Common Stock and pursuant to the same terms and conditions with respect to payment for the shares of Common Stock as agreed to by TPG. In such case, TPG shall give written notice of such sale to the Stockholder at least 30 days prior to the consummation of such sale, setting forth (i) the consideration to be received by the holders of shares of Common Stock, (ii) the identity of the Purchaser, (iii) any other material items and conditions of the proposed transfer and (iv) the date of the proposed transfer.

(b) Tag Along Rights. (i) Subject to paragraph (iv) of this Section 4(b), if TPG or its affiliates propose to transfer any of its shares of Common Stock to a Purchaser (other than a Permitted Transferee), then TPG or such Permitted Transferee (hereinafter referred to as a "Selling Stockholder") shall give written notice of such proposed transfer to the Stockholder (the "Selling Stockholder's Notice") at least 30 days prior to the consummation of such proposed transfer, and shall provide notice to all other stockholders of the Company to whom TPG has granted similar "tag-along" rights (such stockholders together with the Stockholder, referred to herein as the "Other Stockholders") setting forth (A) the number of shares of Common Stock offered, (B) the consideration to be received by such Selling Stockholder, (C) the identity of the Purchaser, (D) any other material items and conditions of the proposed transfer and (E) the date of the proposed transfer.

(ii) Upon delivery of the Selling Stockholder's Notice, the Stockholder may elect to sell up to the sum of (A) the Pro Rata Portion (as hereinafter defined) and (B) the Excess Pro Rata Portion (as hereinafter defined) of his Shares, at the same price per share of Common Stock and pursuant to the same terms and conditions with respect to payment for the shares of Common Stock as agreed to by the Selling Stockholder, by sending written notice to the Selling Stockholder within 15 days of the date of the Selling Stockholder's Notice, indicating his election to sell up to the sum of the Pro Rata Portion plus the Excess Pro Rata Portion of his Shares in the same transaction. Following such 15 day period, the Selling Stockholder and each Other Stockholder shall be permitted to sell to the Purchaser on the terms and conditions set forth in the Selling Stockholder's Notice the sum of (X) the Pro Rata Portion and (Y) the Excess Pro Rata Portion of its Shares.

(iii) For purposes of Section 4(b) hereof, "Pro Rata Portion" shall mean, with respect to shares of Common Stock held by the Stockholder or Selling Stockholder, as the case may be, a number equal to the product of (x) the total number of such shares then owned by the Stockholder or the Selling Stockholder, as the case may be, and (y) a fraction, the numerator of which shall be the total number of such shares proposed to be sold to the Purchaser as set forth in the Selling Stockholder's Notice and the denominator of which shall be the total number of such shares then outstanding (including such shares proposed to be sold by the Selling Stockholder); provided, however, that any fraction of a share resulting from such calculation shall be disregarded for purposes of determining the Pro Rata Portion. For purposes of Section 4(b), "Excess Pro Rata Portion" shall mean, with respect to shares of Common Stock held by the Stockholder or the Selling Stockholder, as the case may be, a number equal to the product of (x) the number of Non-Elected Shares (as defined below) and (y) a fraction, the numerator of which shall be such Stockholder's Pro Rata Portion with respect to such shares, and the denominator of which shall be the sum of (1) the aggregate Pro Rata Portions with respect to the shares of

Common Stock of all of the Other Stockholders that have elected to exercise their rights to sell their Pro Rata Portion of shares of Common Stock, and (2) the Selling Stockholder's Pro Rata Portion of shares of Common Stock (the aggregate amount of such denominator is hereinafter referred to as the "Elected Shares"). For purposes of this Agreement, "Non-Elected Shares" shall mean the excess, if any, of (x) the total number of shares of Common Stock proposed to be sold to a Purchaser as set forth in a Selling Stockholder's Notice, over (y) the amount of Elected Shares.

(iv) Notwithstanding anything to the contrary contained herein, the provisions of this Section 4(b) shall not apply to any sale or transfer by TPG of shares of Common Stock unless and until TPG, after giving effect to the proposed sale or transfer, shall have sold or transferred in the aggregate (other than to Permitted Transferees) shares of Common Stock, representing 7.5% of shares of Common Stock owned by TPG on the date hereof.

5. Termination. This Agreement shall terminate immediately following the existence of a Public Market for the Common Stock except that (i) the requirements contained in Section 2 hereof shall survive the termination of this Agreement and (ii) the provisions contained in Section 3 hereof shall continue with respect to each Share during such period of time, if any, as the Stockholder is precluded from selling such Shares pursuant to Rule 144 of the Securities Act. For this purpose, a "Public Market" for the Common Stock shall be deemed to exist if the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act and trading regularly occurs in such Common Stock in, on or through the facilities of securities exchanges and/or inter-dealer quotation systems in the United States (within the meaning of Rule 902(j) of the Securities Act) or any designated offshore securities market (within the meaning of Rule 902(b) of the Securities Act).

6. Distributions With Respect To Shares. As used herein, the term "Shares" includes securities of any kind whatsoever distributed with respect to the Common Stock acquired by the Stockholder pursuant to the 2003 Plan or any such securities resulting from a stock split or consolidation involving such Common Stock.

7. Amendment; Assignment. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by authorized representatives of the parties or, in the case of a waiver, by an authorized representative of the party waiving compliance. No such written instrument shall be effective unless it expressly recites that it is intended to amend, supersede, cancel, renew or extend this Agreement or to waive compliance with one or more of the terms hereof, as the case may be. Except for the Stockholder's right to assign his or her rights under Section 3(a) or the Company's right to assign its rights under Section 3(b), no party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties hereto.

8. Notices. All notices and other communications hereunder shall be in writing, shall be deemed to have been given if delivered in person or by certified mail, return receipt requested, and shall be deemed to have been given when personally delivered or three (3) days after mailing to the following address:

If to the Stockholder:

To the Stockholder's most recent address on file with
the Company.

If to the Company:

J. Crew Group, Inc.
770 Broadway
New York, NY 10003
Attention: General Counsel

If to TPG:

TPG Partners II, L.P.
c/o TPG Advisors II, Inc.
301 Commerce Street, Suite 3300
Fort Worth, Texas 76102
Attention: Richard A. Ekleberry

or to such other address as any party may have furnished to
the others in writing in accordance herewith, except that notices of change of
address shall only be effective upon receipt.

9. Counterparts. This Agreement may be executed in two or more
counterparts, each of which shall be deemed to be an original, but each of which
together shall constitute one and the same document.

10. Governing Law. This Agreement shall be governed by and
construed in accordance with the laws of the State of NEW YORK, without
reference to its principles of conflicts of law.

11. Binding Effect. This Agreement shall be binding upon,
inure to the benefit of, and be enforceable by the heirs, personal
representatives, successors and permitted assigns of the parties hereto. Nothing
expressed or referred to in this Agreement is intended or shall be construed to
give any person other than the parties to this Agreement, or their respective
heirs, personal representatives, successors or assigns, any legal or equitable
rights, remedy or claim under or in respect of this Agreement or any provision
contained herein.

12. Entire Agreement. This Agreement constitutes the entire
agreement between the parties hereto with respect to the subject matter hereof.

13. Severability. If any term, provision, covenant or
restriction of this Agreement, is held by a court of competent jurisdiction to
be invalid, void or unenforceable, the remainder of the terms, provisions,
covenants and restrictions of this Agreement shall remain in full force and
effect and shall in no way be affected, impaired or invalidated.

14. Miscellaneous. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. A facsimile of a signature shall be deemed an original signature for purposes of this Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

J. CREW GROUP, INC.

/s/ Scott M. Rosen

Name: Scott M. Rosen

Title: Executive Vice-President
and Chief Financial Officer

TPG PARTNERS II, L.P.

By: TPG GenPar II, L.P

By: TPG Advisors II, Inc.

/s/ Richard A. Ekleberry

Name: Richard A. Ekleberry

Title: Vice-President

/s/ Scott Gilbertson

Scott Gilbertson

AMENDMENT NO. 1 TO
LOAN AND SECURITY AGREEMENT

AMENDMENT NO. 1 TO LOAN AND SECURITY AGREEMENT ("Amendment No. 1") dated February 7, 2003 by and among J. Crew Operating Corp., a Delaware corporation ("Operating"), J. Crew Inc., a New Jersey corporation ("J. Crew"), Grace Holmes, Inc., a Delaware corporation doing business as J. Crew Retail ("Retail"), H.F.D. No. 55, Inc., a Delaware corporation doing business as J. Crew Factory ("Factory", and together with Operating, J. Crew and Retail, each individually a "Borrower" and collectively, "Borrowers"), J. Crew Group, Inc., a New York corporation ("Parent") and J. Crew International, Inc. ("JCI" and together with Parent, each individually a "Guarantor" and collectively, "Guarantors"), the parties from time to time to the Loan Agreement (as hereinafter defined) as lenders (each individually, a "Lender" and collectively, "Lenders") and Congress Financial Corporation, a Delaware corporation, in its capacity as administrative and collateral agent for Lenders pursuant to the Loan Agreement (in such capacity, "Agent").

W I T N E S S E T H:

WHEREAS, Agent, Lenders, Borrowers and Guarantors have entered into financing arrangements pursuant to which Agent and Lenders have made and may make loans and advances and provide other financial accommodations to Borrowers as set forth in the Loan and Security Agreement, dated December 23, 2002, by and among Agent, Lenders, Wachovia Bank, National Association, in its capacity as arranger pursuant to the Loan Agreement, Borrowers and Guarantors (as the same now exists and may hereafter be further amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and the agreements, documents and instruments at any time executed and/or delivered in connection therewith or related thereto (collectively, together with the Loan Agreement, the "Financing Agreements");

WHEREAS, Borrowers and Guarantors have requested that Agent and Lenders make certain amendments to the Loan Agreement and Agent and Lenders are willing to make such amendments to the extent and subject to terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual conditions and agreements and covenants set forth herein, and for other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions.

1.1 Defined Terms. For purposes of this Amendment No. 1, all terms used herein, including but not limited to, those terms used and/or defined herein or in the recitals hereto shall have the respective meanings assigned thereto in the Loan Agreement as amended by this Amendment No. 1.

1.2 Amendment to Definitions. The definition of the term "Consolidated Net Income" in the Loan Agreement is hereby amended by adding the following at the end of the first parenthetical contained in such definition:

", \$6,658,000 in respect of severance charges and other one-time employment related charges taken in the fiscal quarter ended in January of 2003 and up to \$2,950,000 in respect of severance charges taken in the fiscal quarter ended in April of 2003".

Section 2. Amendments to Loan Agreement.

2.1 Transactions with Affiliates. Section 9.12 of the Loan Agreement is hereby amended by adding the following at the end of subsection (a) thereof:

"or are otherwise permitted under Section 9.9(i) hereof"

Section 3. Provisions of General Application.

3.1 Effect of this Amendment. Except as modified pursuant hereto, no other changes or modifications to the Financing Agreements are intended or implied and in all other respects the Financing Agreements are hereby specifically ratified, restated and confirmed by all parties hereto as of the effective date hereof. To the extent of conflict between the terms of this Amendment No. 1 and the other Financing Agreements, the terms of this Amendment No. 1 shall control. The Loan Agreement and this Amendment No. 1 shall be read and construed as one agreement.

3.2 Governing Law. The rights and obligations hereunder of each of the parties hereto shall be governed by and interpreted and determined in accordance with the laws of the State of New York, but excluding any principles of conflicts of law or other rule of law that would result in the application of the law of any jurisdiction other than the laws of the State of New York.

3.3 Binding Effect. This Amendment No. 1 shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

3.4 Further Assurances. Each Borrower and Guarantor shall execute and deliver such additional documents and take such additional action as may be reasonably requested by Agent and Lenders to effectuate the provisions and purposes of this Amendment No. 1.

3.5 Counterparts. This Amendment No. 1 may be executed in any number of counterparts, but all of such counterparts shall together constitute but one and the same agreement. In making proof of this Amendment, it shall not be necessary to produce or account for more than one counterpart thereof signed by each of the parties hereto. Delivery of an executed counterpart of this Amendment No. 1 by telefacsimile shall have the same force and effect as delivery of an original executed counterpart of this

Amendment No. 1. Any party delivering an executed counterpart of this Amendment No. 1 by telefacsimile also shall deliver an original executed counterpart of this Amendment No. 1, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment No. 1 as to such party or any other party.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be duly executed and delivered by their authorized officers as of the date and year first above written.

CONGRESS FINANCIAL CORPORATION,
as Agent and as Lender

By: /s/ Carmen Caporrino

Title: Vice President

J. CREW OPERATING CORP.

By: /s/ Scott M. Rosen

Title: Executive Vice-President and
Chief Financial Officer

J. CREW INC.

By: /s/ Scott M. Rosen

Title: Executive Vice-President and
Chief Financial Officer

GRACE HOLMES, INC. d/b/a J. CREW RETAIL

By: /s/ Scott M. Rosen

Title: Executive Vice-President and
Chief Financial Officer

H.F.D. NO. 55, INC. d/b/a J. CREW FACTORY

By: /s/ Scott M. Rosen

Title: Executive Vice-President and
Chief Financial Officer

J. CREW GROUP, INC.

By: /s/ Scott M. Rosen

Title: Executive Vice-President and
Chief Financial Officer

J. CREW INTERNATIONAL, INC.

By: /s/ Nicholas Lamberti

Title: Vice-President, Finance