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Morning Agenda: A Look at Citi's Challenges in Mexico

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In the financial crisis year of 2008, Citigroup severed ties to Mexican companies that it feared could imperil its Mexican affiliate, but it seems that those efforts did not go far enough, **Michael Corkery and Jessica Silver-Greenberg write in DealBook.** A $400 million fraud at Citigroup's Banamex unit that was discovered last month highlights the limitations of that kind of culling, and **underscores the challenges of finding solid lending clients** in a country where the line between big business and political cronyism can become blurred.

But the bank's troubles go beyond the $400 million fraud, which involved an oil services company, Oceanografía. Last year, Banamex officials faced a setback when roughly $300 million in loans to a handful of Mexican home builders suddenly soured. The latest difficulties have called attention to the longtime leadership of Citigroup's Mexico chairman, Manuel Medina-Mora, and **raised questions about oversight at Banamex** as it reported seemingly superior returns.

Mr. Corkery and Ms. Silver-Greenberg write: "Citigroup officials have largely blamed recent problems at Banamex on a combination of bad luck and bad actors. **But a closer look at Banamex's lending business reveals potentially more systemic challenges**: The bank has been placing large bets on a few risky corporate borrowers."

IN MEN'S WEARHOUSE DEAL, ITS FOUNDER IS MISSING | Men's Wearhouse agreed on Tuesday to purchase its rival, Jos. A. Bank Clothiers, for $65 a share, **ending a monthslong takeover battle** that at times seemed as if it would never end. The deal values Jos. A. Bank at $1.8 billion and unites two leaders in affordable menswear, **David Gelles writes in DealBook.**

The announcement was particularly notable for what it lacked: any mention of the founder of Men's Wearhouse, George Zimmer. Indeed, Mr. Zimmer has been almost entirely absent from the takeover battle of the last six months, the result of a boardroom dispute that led the company to fire him as chairman last June. But, perhaps inadvertently, the move **piqued the interest of investment bankers**, who suggested that their client, Jos. A. Bank, bid for Men's Wearhouse, setting off what would become tiresome months of bids, counterbids, lawsuits and invective.

The agreed offer is 56 percent above the share price of Jos. A. Bank before it made its first move last year. Among the terms of the deal, Jos. A. Bank will terminate an agreement to acquire Eddie Bauer. The combined company expects to be the fourth-largest men's apparel retailer in the United States, with **annual revenue of about $3.5 billion**. Improved purchasing power, lower overhead, and more efficient marketing and customer service should also save at least $100 million a year, the companies said.

SAC CAPITAL RENAMES ITSELF POINT72 | Steven A. Cohen's hedge fund SAC Capital Advisors, long embroiled in scandal, is getting a new name: **Point72 Asset Management**, **Matthew Goldstein writes in DealBook**. The name, which was announced on Tuesday in a letter to employees, makes no reference to the billionaire investor, but does seem to be inspired by the address for SAC's enormous office at 72 Cummings Point Road in Stamford, Conn. The new name will become official on April 7.

The hedge fund's announcement ends months of speculation about what Mr. Cohen would call his family office, which will manage mostly his own money in the aftermath of SAC's guilty plea in November and its agreement to pay a penalty of $1.2 billion. Mr. Cohen and Tom Conheeney, SAC's president, have also outlined a plan to streamline SAC's operations and reduce the number of distinct portfolios it operates.

ON THE AGENDA | The Mortgage Bankers' Association **purchase applications index** is out at 7 a.m. The Treasury budget report for February is released at 2 p.m. OPEC publishes its **monthly oil market report**. The **Senate Banking Committee** holds a hearing at 10 a.m. on coordinating Hurricane Sandy recovery and a hearing at 2:30 p.m. on retirement security for the middle class. The **House Subcommittee on Monetary Policy and Trade** holds a hearing at 10 a.m. on the Federal Reserve's role in credit allocation. **Neel Kashkari**, who oversaw the Treasury Department's Troubled Asset Relief Program and is running for governor of California, is on CNBC at 7 p.m. The **World Wide Web** celebrates its 25th anniversary.

HERBALIFE SHARES SINK ON NEW ACCUSATIONS | William A. Ackman expanded his campaign against the nutritional supplements company Herbalife, **accusing it on Tuesday of "operating illegally" in China** during a conference call that lasted more than two hours. Mr. Ackman, the billionaire founder of Pershing Square Capital Management, argued that Herbalife's Chinese operations were identical to its business in other countries like the United States and Mexico, **Alexandra Stevenson writes in DealBook.** The company's shares were hurt by the new accusations, falling more than 2 percent before recovering slightly to close down 1.1 percent for the day.

Mr. Ackman is sitting on $500 million of paper losses on his bet, and would profit only if the company's stock spiraled downward. Ms. Stevenson writes: "During the call, Mr. Ackman remained steadfast in his conviction, saying, 'There is no circumstance under which we are wrong,' while poking fun at the company."