



**Pre-Filing Report of  
KSV Restructuring Inc. as  
Proposed Information Officer of  
Eddie Bauer LLC, Eddie Bauer Gift  
Card Services LLC,  
SPARC EB Holdings LLC, 13051269  
Canada Inc. and Eddie Bauer of  
Canada Corporation**

February 16, 2026

<b>Contents</b>	<b>Page</b>
<b>1.0 INTRODUCTION.....</b>	<b>1</b>
1.1 Purposes of this Report.....	4
1.2 Scope and Terms of Reference.....	5
1.3 Currency.....	6
<b>2.0 KSV'S QUALIFICATIONS TO ACT AS INFORMATION OFFICER.....</b>	<b>6</b>
<b>3.0 BACKGROUND.....</b>	<b>6</b>
3.1 The Company and its Business.....	6
3.2 Financial Position.....	7
3.3 SPARC's Management Services.....	8
3.4 Capital Structure.....	9
3.5 Cash Management System.....	11
3.6 Intercompany Transactions.....	12
3.7 Centre of Main Interest.....	13
<b>4.0 EVENTS PRECEDING THE CHAPTER 11 PROCEEDINGS.....</b>	<b>13</b>
4.1 Termination of the License Agreement.....	14
4.2 The Going Concern Sale and Store Closure Processes and Restructuring Initiatives.....	14
<b>5.0 FIRST DAY ORDERS.....</b>	<b>18</b>
<b>6.0 PROPOSED CHARGES.....</b>	<b>25</b>
6.1 Administration Charge.....	25
6.2 Directors' Charge.....	25
6.3 Intercompany Charge.....	26
<b>7.0 ACTIVITIES OF THE PROPOSED INFORMATION OFFICER.....</b>	<b>27</b>
<b>8.0 CONCLUSION AND RECOMMENDATION.....</b>	<b>27</b>

## Appendices

<b>Appendix.....</b>	<b>Tab</b>
Interim Stay Order of the Honourable Justice Cavanagh dated February 9, 2026.....	A
Endorsement of the Honourable Justice Cavanagh dated February 9, 2026.....	B
Consent to Act of KSV Restructuring Inc. dated February 8, 2026.....	C
Summary of the Agency Agreement prepared by the Chapter 11 Debtors.....	D

COURT FILE NO.: CV-26-00000050-0000

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF *THE COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF EDDIE BAUER LLC, EDDIE BAUER GIFT CARD SERVICES LLC,  
SPARC EB HOLDINGS LLC, 13051269 CANADA INC. AND EDDIE BAUER OF CANADA  
CORPORATION

APPLICATION OF EDDIE BAUER LLC UNDER SECTION 46 OF *THE COMPANIES'*  
*CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

PRE-FILING REPORT OF KSV RESTRUCTURING INC.  
AS PROPOSED INFORMATION OFFICER

February 16, 2026

## 1.0 Introduction

1. On February 9, 2026 (the "**Petition Date**"), 13051269 Canada Inc. ("**130**"), Eddie Bauer of Canada Corporation ("**Eddie Bauer Canada**", and together with 130, the "**Canadian Debtors**"), SPARC EB Holdings LLC ("**SPARC Holdings**"), Eddie Bauer LLC ("**EB LLC**") and Eddie Bauer Gift Card Services LLC ("**EB Gift Card**", and collectively with the Canadian Debtors, SPARC Holdings and EBC LLC, the "**Chapter 11 Debtors**" or the "**Company**") commenced proceedings (the "**Chapter 11 Proceedings**") in the United States Bankruptcy Court for the District of New Jersey (the "**U.S. Court**") by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**").
2. On the Petition Date, EB LLC, in its capacity as the then proposed foreign representative of the Chapter 11 Debtors in the Chapter 11 Proceedings, also sought and obtained an order (the "**Interim Stay Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C. 43, as amended, from the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Among other things, the Interim Stay Order granted an interim stay of proceedings in favour of the Chapter 11 Debtors and each of their respective property, business and directors and officers. Copies of the Interim Stay Order and the accompanying endorsement of the Honourable Justice Cavanagh are attached as **Appendices "A"** and **"B"**, respectively.

3. The purpose of the Chapter 11 Proceedings and these recognition proceedings (the “**Recognition Proceedings**”) is to create a stabilized environment in which the Chapter 11 Debtors may pursue, with the unanimous support of their Prepetition Lenders (as defined below), one or more sales of the Chapter 11 Debtors’ assets (each, a “**Sale Transaction**”), an orderly winddown of all of the Chapter 11 Debtors’ brick-and-mortar retail operations not sold in a Sale Transaction, and a plan of reorganization (the “**Plan**”) addressing the Chapter 11 Debtors’ prepetition obligations and providing a recovery to their unsecured creditors that vote to accept the Plan. To obtain certain of the relief necessary to facilitate such value-maximizing restructuring transactions, the Chapter 11 Debtors filed several first day motions in the Chapter 11 Proceedings on the Petition Date (collectively, the “**First Day Motions**”).
4. Following a hearing of the First Day Motions on February 10, 2026, the U.S. Court granted the following orders, among others (collectively, the “**First Day Orders**”):
  - a) *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* (the “**Joint Administration Order**”);
  - b) *Order (I) Restating and Enforcing the Worldwide Automatic Stay, Anti-Discrimination Provisions, and Ipso Facto Protections of the Bankruptcy Code, (II) Approving the Form and Manner of Notice, and (III) Granting Related Relief* (the “**Automatic Stay Order**”);
  - c) *Order (I) Authorizing Eddie Bauer LLC to Act as Foreign Representative, and (II) Granting Related Relief* (the “**Foreign Representative Order**”);
  - d) *Order (I) Authorizing the Appointment of Stretto, Inc. as Claims and Noticing Agent Effective as of the Petition Date and (II) Granting Related Relief* (the “**Claims and Noticing Agent Order**”);
  - e) *Interim Order (I) Authorizing the Debtors to (A) Continue Using the Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, and (C) Maintain Existing Debtor Bank Accounts, Business Forms, and Books and Records, (II) Authorizing the Debtors to Continue to Perform Intercompany Transactions, (III) Waiving Certain U.S. Trustee Requirements, and (IV) Granting Related Relief* (the “**Interim Cash Management Order**”);
  - f) *Interim Order (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to the Prepetition Secured Parties, (III) Scheduling a Final Hearing, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief* (the “**Interim Cash Collateral Order**”);
  - g) *Interim Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs; and (II) Granting Related Relief* (the “**Interim Wages Order**”);

- h) *Interim Order (I) Authorizing the Debtors to Pay Prepetition Claims of Certain Critical Vendors, Foreign Vendors, 503(B)(9) Claimants, and Lien Claimants, (II) Granting Administrative Expense Priority to Undisputed Obligations on Account of Outstanding Orders, and (III) Granting Related Relief (the “**Interim Critical Vendors Order**”);*
- i) *Interim Order (I) Approving the Debtors’ Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors’ Proposed Procedures for Resolving Adequate Assurance Requests, (IV) Authorizing Fee Payments to the Utility Agents, and (V) Granting Related Relief (the “**Interim Utilities Order**”);*
- j) *Interim Order (I) Authorizing the Payment of Certain Taxes and Fees and (II) Granting Related Relief (the “**Interim Taxes Order**”);*
- k) *Interim Order (I) Authorizing the Debtors to (A) Maintain Insurance and Surety Coverage and the Surety Standby Letter of Credit Entered into Prepetition and Pay Related Prepetition Obligations and (B) Renew, Supplement, Modify, or Purchase Insurance, Surety Coverage, and Letters of Credit, and (II) Granting Related Relief (the “**Interim Insurance Order**”);*
- l) *Interim Order (I) Authorizing the Debtors to (A) Maintain and Administer Their Customer Programs and (B) Honor Certain Prepetition Obligations Related Thereto, and (II) Granting Related Relief (the “**Interim Customer Programs Order**”);*
- m) *Order (I) Scheduling Hearings and Objection Deadlines with Respect to the Debtors’ Disclosure Statement and Plan Confirmation and (II) Shortening the Notice Requirements Related Thereto (the “**Scheduling Order**”);*
- n) *Order (I) Approving the Bidding Procedures and Stalking Horse Bid Protections, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (V) Authorizing the Assumption and Assignment of Assumed Contracts, (VI) Authorizing the Sale of Assets, and (VII) Granting Related Relief (the “**Bidding Procedures Order**”); and*
- o) *Interim Order (I) Authorizing the Debtors to Assume the Agency Agreement; (II) Authorizing and Approving the Conduct of Store Closing Sales and the Related Sale Guidelines, with such Sales to be Free and Clear of All Liens, Claims, and Encumbrances; (III) Modifying Customer Programs at the Closing Stores; and (IV) Granting Related Relief (the “**Interim Store Closing Order**”).*

5. As discussed below, EB LLC, in its capacity as the foreign representative of the Chapter 11 Debtors in the Chapter 11 Proceedings appointed pursuant to the Foreign Representative Order (in such capacity, the “**Foreign Representative**”) now seeks the Court’s recognition of the Chapter 11 Proceedings as a “foreign main proceeding”, its appointment as a “foreign representative” and certain of the First Day Orders pursuant to the CCAA, the appointment of KSV as the information officer in these Recognition Proceedings (if appointed in such capacity, the “**Information Officer**”), and the granting of certain super-priority charges.
6. This pre-filing report (this “**Report**”) has been prepared and will be filed with the Court by KSV in its capacity as the proposed information officer in these Recognition Proceedings (in such capacity, the “**Proposed Information Officer**”).

## 1.1 Purposes of this Report

1. The purposes of this Report are to provide:
  - a) the qualifications of KSV to act as the Information Officer in these Recognition Proceedings;
  - b) background information concerning the Chapter 11 Debtors, the Chapter 11 Proceedings and these Recognition Proceedings;
  - c) the Proposed Information Officer’s views regarding the Foreign Representative’s application for an order (the “**Initial Recognition Order**”), among other things:
    - i. declaring that the centre of each of the Chapter 11 Debtors’ main interests is the United States;
    - ii. recognizing the Chapter 11 Proceedings as a “foreign main proceeding” and EB LLC as the “foreign representative” of the Chapter 11 Debtors in respect of the Chapter 11 Proceedings, as such terms are defined in section 45 of the CCAA; and
    - iii. declaring that the Interim Stay Order shall be of no further force or effect upon the granting of the Initial Recognition Order;
  - d) the Proposed Information Officer’s views regarding the Foreign Representative’s application for an order (the “**Supplemental Order**”), among other things:
    - i. appointing KSV as the Information Officer;
    - ii. recognizing certain of the First Day Orders;
    - iii. granting a stay of proceedings in favour of the Chapter 11 Debtors and their Property and Business (each as defined in the proposed Supplemental Order), as well as the Chapter 11 Debtors’ directors and officers;

- iv. granting a charge on the Property of the Canadian Debtors in favour of Canadian counsel to the Chapter 11 Debtors, the Information Officer, and counsel to the Information Officer, up to a maximum amount of CAD\$1 million, as security for their respective professional fees and disbursements incurred in these Recognition Proceedings (the “**Administration Charge**”);
  - v. granting a charge on the Property of the Canadian Debtors in favour of the directors and officers of the Canadian Debtors, up to a maximum amount of CAD\$1.927 million, as security for the Canadian Debtors’ indemnification obligations under the proposed Supplemental Order (the “**Directors’ Charge**”);
  - vi. granting a charge on the Property of the Canadian Debtors to secure claims by any Chapter 11 Debtor (other than the Canadian Debtors) that provides services or lends money to, or bears costs of, a Canadian Debtor (collectively, “**Intercompany Claims**”) on or after the granting of the proposed Supplemental Order (the “**Intercompany Charge**” and collectively with the Administration Charge and the Directors’ Charge, the “**Charges**”); and
  - vii. providing that amounts transferred by the Canadian Debtors to the Chapter 11 Debtors (other than the Canadian Debtors) on or after the granting of the proposed Supplemental Order shall be solely in respect of Intercompany Claims consistent with the Canadian Cash Collateral Budget (as defined in the Second Coulombe Affidavit (as defined below)) scheduled to the Approved Budget (as defined in the Interim Cash Collateral Order), or otherwise approved in advance by the Information Officer; and
- e) the Proposed Information Officer’s recommendation that the Court grant the relief sought by the Foreign Representative.

## 1.2 Scope and Terms of Reference

1. In preparing this Report, the Proposed Information Officer has relied upon unaudited financial information prepared by the Chapter 11 Debtors’ representatives, the Chapter 11 Debtors’ books and records and discussions with the Chapter 11 Debtors’ Canadian counsel.
2. The Proposed Information Officer has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the *Chartered Professional Accountants of Canada Handbook* (the “**Handbook**”) and, accordingly, the Proposed Information Officer expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Additionally, the Proposed Information Officer has not examined or reviewed forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Handbook.



3. Future oriented financial information relied upon in this Report is based on the Chapter 11 Debtors' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.
4. Additional detail regarding the Chapter 11 Debtors, their business, corporate structure, prepetition capital structure, indebtedness, interdependence and centralized management is provided in the Affidavits of Stephen Coulombe affirmed February 9, 2026 (the "**First Coulombe Affidavit**") and February 12, 2026 (the "**Second Coulombe Affidavit**") and together with the First Coulombe Affidavit, the "**Coulombe Affidavits**") and the Declaration of Stephen Coulombe dated February 9, 2026 (the "**First Day Declaration**"). The First Day Declaration, the First Day Motions, the First Day Orders and other information regarding the Chapter 11 Proceedings are available for free on the case website maintained by Stretto, Inc., the Chapter 11 Debtors' claims and noticing agent (in such capacity, the "**Claims and Noticing Agent**"): <https://cases.stretto.com/EddieBauer> or for a fee at [www.njb.uscourts.gov](http://www.njb.uscourts.gov) (together, the "**Docket**").

### 1.3 Currency

1. All currency references in this Report are to U.S. dollars, unless otherwise stated.

## 2.0 KSV'S Qualifications to Act as Information Officer

1. KSV is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended. KSV has consented to act as the Information Officer if the Court grants the proposed Initial Recognition Order and Supplemental Order sought by the Foreign Representative. A copy of KSV's consent to act as the Information Officer is attached as **Appendix "C"**.
2. KSV has extensive experience in domestic and cross-border restructuring proceedings under the CCAA,<sup>1</sup> including as the Court-appointed information officer in the recognition proceedings commenced by Revlon Inc., RGN-National Business Centers, Paladin Labs Inc., and KidKraft Inc. KSV is not aware of any conflict of interest that would prevent it from acting as the Information Officer if so appointed.

## 3.0 Background

### 3.1 The Company and its Business

1. The Chapter 11 Debtors consist of SPARC Holdings, and its four direct and indirect subsidiaries. SPARC Holdings, EB LLC and EB Gift Card (collectively, the "**U.S. Debtors**") are limited liability companies formed under the laws of Delaware or Ohio, as applicable. The remaining Chapter 11 Debtors, 130 and its wholly-owned subsidiary, Eddie Bauer Canada, are corporations formed under the laws of Canada.

---

<sup>1</sup> The Proposed Information Officer notes that certain of its personnel were engaged in proceedings previously commenced by Eddie Bauer of Canada, Inc. and Eddie Bauer Customer Services Inc. under the CCAA in which RSM Richter Inc. was appointed as monitor pursuant to an initial order dated June 17, 2009.



2. Each of the Canadian Debtors maintains a registered office at 199 Bay Street, Suite 5300, Commerce Court West, Toronto. 130 is a holding company while Eddie Bauer Canada is the Company's Canadian operating entity.
3. The Company was founded in 1920 in Seattle, Washington, as a sporting goods and outdoor equipment store. Following a series of ownership changes and financial restructurings, the Company's intellectual property portfolio (the "**Eddie Bauer IP**") was sold to an affiliate of Authentic Brands Group, LLC ("**ABG**") and its operating business was sold to SPARC Group Holdings LLC (together with Catalyst Brands LLC and certain of their affiliates, "**SPARC**") in 2021 (the "**SPARC Acquisition**"). In connection with the SPARC Acquisition, the Company entered into a License Agreement effective as of May 6, 2021 (the "**License Agreement**"), pursuant to which the Company licensed the Eddie Bauer IP for use in its e-commerce, wholesale, and brick-and-mortar retail business channels from ABG in exchange for the payment of fees based on net sales, a guaranteed minimum royalty and an annual marketing fee.
4. Since SPARC's acquisition in January 2025 by Penney Holdings LLC, the parent company of JCPenney, the Company, along with several other American retail brands, have been owned and operated under the trade name of Catalyst Brands ("**Catalyst**"). The Company currently sells products through its leased brick-and-mortar stores under the "Eddie Bauer" name in three primary categories: (i) sportswear; (ii) outerwear; and (iii) gifts, gear, accessories and footwear. As discussed below, while the Company also historically maintained e-commerce and wholesale channels, its rights to continue such channels were terminated effective as of January 31, 2026, and licensed to a third-party.
5. As of the Petition Date, the Company operated 175 brick-and-mortar retail stores in North America, with 151 located in the United States and 24 located in Canada. Eddie Bauer Canada's brick-and-mortar retail stores in Canada are located across six provinces, with the largest portion being in Ontario, and are leased pursuant to lease agreements with 13 unique landlords.
6. Approximately 379 of the Company's 2,200 employees employed as of the Petition Date were employed by Eddie Bauer Canada. 182 of such employees are in Ontario. None of the Company's employees are unionized or benefit from any pension plan.

### 3.2 Financial Position

1. As set out in the First Coulombe Affidavit, the Company generated, on a consolidated basis, approximately \$541.7 million in net revenue as of January 3, 2026. In 2025, Canadian sales accounted for approximately 11% or \$62.4 million of the Company's net revenue and 20.5% of the Company's retail sales. The Company recorded a net loss of \$67.09 million on a consolidated basis over the first 11 months of 2025.
2. As of January 3, 2026, the Company had assets with a book value of approximately \$262.22 million, and liabilities with a book value of approximately \$351.52 million, in each case, on a consolidated basis. As of that same date, Eddie Bauer Canada had assets and liabilities of approximately \$35.25 million and \$44.62 million, respectively.

3. Approximately \$26.37 million of Eddie Bauer Canada's total assets as of January 3, 2026 consisted of cash and cash equivalents. As described in the First Coulombe Affidavit, such cash and cash equivalents included cash in transit and disbursements that had not left Eddie Bauer Canada's applicable account and that was ultimately swept to the Company's main operating account in the United States at the end of January 2026 in accordance with the Company's Cash Management System (as defined below).
4. The Proposed Information Officer understands that, as of January 16, 2026, the book value of the total Canadian inventory on hand was approximately CAD\$4.7 million. Such inventory is located within Eddie Bauer Canada's brick-and-mortar retail store locations and a warehouse in Port Coquitlam, British Columbia.

### 3.3 SPARC's Management Services

1. As described in the First Day Declaration and the Coulombe Affidavits, the Company has historically benefited from the expertise, resources and support of SPARC and Catalyst. The Proposed Information Officer understands that, over the previous five years, SPARC has, among other things, negotiated and maintained a comprehensive corporate insurance program and administered employee benefits (except in respect of Eddie Bauer Canada's employees) on behalf of the Chapter 11 Debtors, calculated and remitted a majority of the Chapter 11 Debtors' tax obligations, handled the Chapter 11 Debtors' accounting and treasury management functions, and directly or indirectly paid certain of the Chapter 11 Debtors' operational and administrative expenses (collectively, the "**Covered Expenses**").
2. As part of the Chapter 11 Debtors' shared services arrangement, the Proposed Information Officer understands that the Chapter 11 Debtors have paid a monthly management fee to SPARC that compensated SPARC for the management services provided by SPARC executives and other employees, and transferred excess funds generated by their operations to SPARC on a weekly basis (collectively, the "**SPARC Transfers**"). Since the SPARC Acquisition, and as described in the First Day Declaration and the First Coulombe Affidavit, the Covered Expenses have consistently exceeded the SPARC Transfers, resulting in the Chapter 11 Debtors' accrual of an intercompany payable to SPARC totaling approximately \$215 million as of the Petition Date (the "**SPARC Intercompany Payable**"). The Proposed Information Officer is advised that the portion of the SPARC Intercompany Payable attributable to the Canadian Debtors (excluding Eddie Bauer Canada's proportionate share of corporate payroll), after accounting for inventory received and cash transferred from Eddie Bauer Canada to EB LLC, is approximately \$6.38 million.
3. Given the substantial SPARC Intercompany Payable and the challenges facing the Company, the Proposed Information Officer understands that SPARC expressed an intention to cease funding the Company's losses in the period preceding the Petition Date.

### 3.4 Capital Structure

1. As set out in the First Day Declaration and the First Coulombe Affidavit, the Chapter 11 Debtors' capital structure as of February 2026 may be summarized as follows:

Prepetition Capital Structure (As of February 2026)						
		Lead Lender	Maturity	Interest Rate	Commitment (\$million)	Approximate Amount Outstanding (\$million)
ABL Facility	Loans	Wells Fargo	September 19, 2030	SOFR + 2.50%	\$1,750	\$728
	Letters of Credit			Variable	\$202	\$197
Term Loan Facility		WhiteHawk	September 19, 2030	SOFR + 6.75%	\$600	\$600
Subordinated Loan Facility		Copper Retail JV LLC	February 19, 2031	15.0%	\$212	\$216
Total						\$1,741

2. As presented above, the Chapter 11 Debtors' funded debt obligations, in respect of which none of the Chapter 11 Debtors are borrowers, consist of the following:
  - a) The ABL Facility – The Chapter 11 Debtors (recently including the Canadian Debtors) are guarantors under a Credit Agreement dated as of December 7, 2020 (as amended, restated, supplemented, waived, or otherwise modified from time to time, the “**ABL Credit Agreement**”), by and among, *inter alios*, Penney Holdings LLC, Penney Borrower LLC, Penney OpCo LLC, SPARC Group LLC, each restricted subsidiary of Penney Holdings LLC party thereto as a borrower (collectively, the “**Catalyst Borrowers**”), each restricted subsidiary of Penney Holdings LLC party thereto as a subsidiary guarantor (collectively with the Catalyst Borrowers and any other loan party, the “**ABL Parties**”), the lenders party thereto (the “**ABL Lenders**”), and Wells Fargo Bank, National Association, as administrative agent (the “**ABL Agent**”). The ABL Credit Agreement provides for a revolving facility of up to \$1.75 billion (the “**ABL Facility**”). The Proposed Information Officer understands that the obligations under the ABL Facility (collectively, the “**ABL Obligations**”) mature on September 19, 2030, and are secured by liens on substantially all of the ABL Parties' assets. As of the Petition Date, approximately \$728 million in unpaid principal and accrued but unpaid interest was outstanding under the ABL Facility.
  - b) The Term Loan Facility – The U.S. Debtors are guarantors under a Credit Agreement dated as of September 19, 2025 (as may be amended, restated, supplemented, waived, or otherwise modified from time to time, the “**Term Loan Credit Agreement**”), by and among the Catalyst Borrowers, each other restricted subsidiary of Penney Holdings LLC party thereto as a subsidiary guarantor (collectively with the Catalyst Borrowers, the “**Term Loan Parties**”), each lender from time to time party thereto (collectively, the “**Term Loan Lenders**”), and WhiteHawk Capital Partners LP (the “**Term Loan Agent**”), as

administrative agent and collateral agent. The Term Loan Credit Agreement provides for a term loan facility (the “**Term Loan Facility**”) of up to \$600 million in aggregate principal. The Proposed Information Officer understands that the obligations under the Term Loan Facility (collectively, the “**Term Loan Obligations**”) mature on September 19, 2030, and are secured by liens on substantially all of the Term Loan Parties’ assets. As of the Petition Date, approximately \$600 million in unpaid principal is outstanding under the Term Loan Facility.

- c) The Subordinated Loan Facility – The U.S. Debtors are guarantors under a Second Amendment to Amended and Restated Term Loan Credit Agreement dated as of September 19, 2025 (as may be amended, restated, supplemented, waived, or otherwise modified from time to time, the “**Subordinated Loan Credit Agreement**” and collectively with the ABL Credit Agreement and the Term Loan Credit Agreement, the “**Prepetition Credit Agreements**”), by and among the Catalyst Borrowers, each Restricted Subsidiary of Penney Holdings LLC party thereto as a subsidiary guarantor (collectively with the Catalyst Borrowers, the “**Subordinated Loan Parties**”), each lender party thereto from time to time (the “**Subordinated Loan Lenders**”, collectively, with the ABL Lenders and the Term Loan Lenders, the “**Prepetition Lenders**”), and Copper Retail JV LLC, as administrative agent (the “**Subordinated Loan Agent**”). The Subordinated Loan Credit Agreement contemplates a term loan facility (the “**Subordinated Loan Facility**,” and, together with the ABL Facility and Term Loan Facility, the “**Prepetition Loan Facilities**”) up to \$216.2 million in aggregate principal. The Proposed Information Officer understands that the obligations under the Subordinated Loan Credit Agreement (collectively, the “**Subordinated Loan Obligations**”) mature on February 19, 2031, and are secured by liens on substantially all of the Subordinated Loan Parties’ assets. As of the Petition Date, approximately \$216.2 million in unpaid principal remains outstanding under the Subordinated Loan Facility.
3. As noted in the Coulombe Affidavits and described in greater detail below, the Canadian Debtors were neither borrowers nor guarantors (or otherwise obligors) under any of the Prepetition Credit Agreements until February 8, 2026.
4. As of February 8, 2026, the Canadian Debtors entered into a Canadian Limited Guarantee and Collateral Agreement (the “**Limited Guarantee**”), among SPARC Holdings, as grantor, the Canadian Debtors, as grantors and guarantors, and the ABL Agent, as administrative agent, pursuant to which the Canadian Debtors guaranteed the ABL Obligations up to the maximum amount of \$6.384 million (the “**Maximum Guaranteed Amount**”), and granted a security interest in favour of the ABL Agent in substantially all of their present and after-acquired assets (collectively, the “**Canadian Collateral**”). A copy of the Limited Guarantee is attached to the First Coulombe Affidavit as Exhibit “H”.

5. As described in the First Coulombe Affidavit, the Proposed Information Officer understands that the Maximum Guaranteed Amount is intended to reflect the value contributed from Eddie Bauer's U.S. business to Eddie Bauer's Canadian business (excluding Eddie Bauer Canada's proportionate share of corporate payroll), after accounting for inventory sold to the Canadian Debtors and cash transferred from Eddie Bauer Canada to EB LLC. While the Canadian Debtors have not provided any guarantee or security in connection with Term Loan Obligations or the Subordinated Loan Obligations, each entered into amendments to the Prepetition Credit Agreements on February 8, 2026, to add the Canadian Debtors as "Joining Loan Parties" thereunder. The amendments to the Term Loan Credit Agreement and Subordinated Loan Credit Agreement expressly provide that the Canadian Debtors shall in no event have any liability to the Term Loan Agent, the Term Loan Lenders, the Subordinated Loan Agent or the Subordinated Loan Lenders, as applicable, by virtue of being added as "Joining Loan Parties" or otherwise in connection thereto.

### 3.5 Cash Management System

1. As described in the First Day Declaration and the Coulombe Affidavits, the Chapter 11 Debtors maintain and operate a cash management system to collect, transfer and disburse funds in the ordinary course of their business (the "**Cash Management System**"). The Proposed Information Officer understands that the Cash Management System is overseen by the Chapter 11 Debtors' treasury department in the United States and comprises 32 bank accounts, 31 of which are owned by the Chapter 11 Debtors and one of which is owned by their affiliate, SPARC Group LLC.
2. 21 of the bank accounts within the Cash Management System are owned by the U.S. Debtors and SPARC Group LLP, and the remaining 11 bank accounts, all of which are with The Bank of Nova Scotia, are owned by Eddie Bauer Canada. As of the Petition Date, the Proposed Information Officer understands that the Chapter 11 Debtors' bank accounts collectively held approximately \$20 million in cash, approximately \$1 million of which was in Eddie Bauer Canada's accounts.
3. As set out in the First Coulombe Affidavit, funds from the Canadian Debtors' brick-and-mortar retail and legacy e-commerce operations are received in Eddie Bauer Canada's four collection accounts and are thereafter swept to Eddie Bauer Canada's operating account. Certain of the funds pooled in Eddie Bauer Canada's operating account are transferred to its disbursement accounts to facilitate payments to third-party payees. With one exception, the funds in Eddie Bauer Canada's disbursements accounts are swept at the end of each business day to its operating account. The Proposed Information Officer understands that all excess funds in Eddie Bauer Canada's operating account have historically been manually transferred to the Company's main operating account in the United States on a weekly basis.
4. The Interim Cash Management Order authorizes the Chapter 11 Debtors to continue using the Cash Management System and honour any prepetition obligations related to the Cash Management System in the ordinary course of business.

### 3.6 Intercompany Transactions

1. The Proposed Information Officer understands that the Chapter 11 Debtors engage in routine cash and non-cash transfers, among one another and with certain affiliates (collectively, the **“Intercompany Transactions”**). The Proposed Information Officer further understands that the Intercompany Transactions are conducted pursuant to manual account transfers among certain of the Chapter 11 Debtors’ collections and operating accounts and recorded as intercompany receivables and payables (the **“Intercompany Balances”**).
2. As described in detail in the First Day Declaration (including the evidentiary support attached as Exhibit “C” thereto), the Intercompany Transactions principally occur in one of the following three forms:
  - a) EB Gift Card and EB LLC engage in Intercompany Transactions related to the Chapter 11 Debtors’ gift card program,<sup>2</sup> whereby receipts from the sales of such gift cards are collected in an account owned by EB Gift Card and periodically manually transferred to the Company’s main operating account in the United States owned by EB LLC;
  - b) EB LLC and Eddie Bauer Canada engage in Intercompany Transactions to, among other things, ensure that the Canadian Debtors’ funding needs may be met, whereby EB LLC pays certain of Eddie Bauer Canada’s ordinary course expenses that must be made in U.S. dollars, provides funds to Eddie Bauer Canada to satisfy payments to certain third parties made in Canadian dollars, and acquires and provides substantially all inventory sold by Eddie Bauer Canada; and
  - c) SPARC and the Chapter 11 Debtors engage in Intercompany Transactions in the form of the Covered Expenses and the SPARC Transfers described above.
3. The Interim Cash Management Order authorizes the Chapter 11 Debtors to continue to perform the Intercompany Transactions and treat postpetition Intercompany Balances in a manner consistent with the U.S. Court’s grant of administrative expenses status.
4. Pursuant to the proposed Supplemental Order, amounts transferred by the Canadian Debtors to the U.S. Debtors will solely be in respect of Intercompany Claims consistent with the Canadian Cash Collateral Budget scheduled to the Approved Budget and attached as Exhibit “X” to the Second Coulombe Affidavit, or as otherwise approved in advance by the Information Officer. The Proposed Information Officer has had an opportunity to review the Canadian Cash Collateral Budget and is of the view that the anticipated Intercompany Claims therein are reasonable in the circumstances.

---

<sup>2</sup> As described in the First Day Declaration, the Chapter 11 Debtors’ gift card program permits the Chapter 11 Debtors’ customers to purchase prepaid, non-expiring gift cards in denominations ranging from \$10 to \$500.



### **3.7 Centre of Main Interest**

1. As described in the Coulombe Affidavits, the Chapter 11 Debtors, including the Canadian Debtors, are managed from the United States and operate as an integrated group. In this regard, the Proposed Information Officer understands that:
  - a) the Company's treasury, accounting, accounts receivable and accounts payable teams, key management personnel and approximately 70 corporate employees are all located in the United States;
  - b) two of the Canadian Debtors' three directors reside in the United States;
  - c) Eddie Bauer Canada relies on SPARC and EB LLC for the sourcing and purchasing of its inventory (in the ordinary course of business), including the sale and merchandising team at SPARC in the United States and the U.S. Debtors' and SPARC's purchasing power and supplier relationships in the United States;
  - d) Eddie Bauer Canada depends on SPARC and EB LLC for strategic and corporate support functions, including information technology, legal, finance, and human resources functions; and
  - e) the sole corporate function performed in Canada is payroll in respect of Eddie Bauer Canada's employees.
2. Based on the evidence set out in the Coulombe Affidavits, the Proposed Information Officer agrees with the Foreign Representative that the Chapter 11 Debtors' centre of main interest is in the United States, and that it is appropriate in the circumstances to recognize the Chapter 11 Proceedings as a "foreign main proceeding" within the meaning of the CCAA.

### **4.0 Events Preceding the Chapter 11 Proceedings**

1. The Proposed Information Officer understands that the Company began facing significant headwinds in 2023, including shifts in consumer preferences, rising inflation, and unfavorable tariff policies and exemptions. As described in the First Day Declaration and the First Coulombe Affidavit, these challenges eroded the Chapter 11 Debtors' margins and resulted in negative earnings of approximately \$2 million in 2022, \$10 million in 2023, \$82 million in 2024, and \$80 million in 2025.
2. The Proposed Information Officer understands that the Company took several steps to address its financial challenges prior to the Petition Date, certain of which are discussed below.



#### 4.1 Termination of the License Agreement

1. In an effort to address the Chapter 11 Debtors' financial challenges, the Proposed Information Officer understands that the Company and ABG engaged in discussions regarding the future of the License Agreement and the substantial fixed costs – in the amount of approximately \$220 million over the remaining six years of the License Agreement – arising thereunder in late 2025. As described in the First Day Declaration and the First Coulombe Affidavit, these discussions resulted in an agreement pursuant to which:
  - a) the Company's wholesale and e-commerce rights under the License Agreement were terminated effective January 31, 2026, and transferred to ABG's affiliate, Outdoor 5, LLC ("**O5**");
  - b) the Company retained its license to operate brick-and-mortar retail locations and sell merchandise under the Eddie Bauer IP, subject to actual and accrued royalties;
  - c) the Company was granted a one-year sell-off period during which it can sell existing e-commerce and wholesale inventory through its brick-and-mortar retail locations or existing wholesale relationships in the United States and Canada, subject to actual and accrued royalties; and
  - d) a series of formal agreements were entered into to effectuate the allocation of liabilities, treatment of employees, the transfer of certain inventory and the provision of transition services related to the transfer of the Company's e-commerce and wholesale businesses from the Company to O5.

#### 4.2 The Going Concern Sale and Store Closure Processes and Restructuring Initiatives

1. Among other initiatives to address their financial challenges, the Proposed Information Officer also understands that the Chapter 11 Debtors:
  - a) retained SOLIC Capital Advisors, LLC ("**SOLIC**"), an investment banking firm based in Chicago, on November 24, 2025, to conduct a marketing process for a potential sale of all or any portion of the Company's brick-and-mortar retail operations (the "**Going Concern Sale Process**"), which resulted in the receipt of two indications of interest on January 30, 2026 that continue to be pursued;
  - b) allowed leases for 49 historically unprofitable brick-and-mortar retail stores to expire on their terms, including three such leases in Canada on January 31, 2026;
  - c) retained Hilco Merchant Resources, LLC and SB360 Capital Partners, LLC (together, the "**Agent**") pursuant to a Letter Agreement Governing Inventory Disposition dated as of January 29, 2026 (the "**Agency Agreement**"), between EB LLC and certain of its affiliates and the Agent, to assist with the closure of the Company's historically unprofitable locations, and thereafter the Company's remaining 175 retail store locations (which latter store closings began between January 26, 2026 and February 7, 2026); and

- d) commenced negotiations with the Prepetition Lenders regarding a consensual wind-down of any assets not sold in the Going Concern Sale Process, which negotiations resulted in the execution of an amendment and forbearance agreement (the “**Amendment and Forbearance Agreement**”) and a restructuring support agreement (the “**RSA**”), in each case, on February 8, 2026.
2. A copy of the Agency Agreement is attached to the Interim Store Closing Order as Exhibit 1 and a summary of its key terms prepared by the Chapter 11 Debtors is attached hereto as **Appendix “D”**. A Copy of the RSA is attached to the First Day Declaration as Exhibit “B”.
3. The Proposed Information Officer understands that the RSA is intended to enable the Chapter 11 Debtors to continue the Going Concern Sale Process, with a view to implementing an expedient going-concern sale of all or part of the Company’s remaining operations, and a winddown of any portion of the Company’s assets and operations not sold pursuant to the Going Concern Sale Process. Among other things, the RSA:
- a) permits the Chapter 11 Debtors to pursue one or more Sale Transactions in respect of substantially all, or a portion of, their assets and/or equity to the highest or otherwise best bidder(s) within the Going Concern Sale Process to be conducted pursuant to the Bidding Procedures (as defined below) and the Bidding Procedures Order;
  - b) provides that the Chapter 11 Debtors will continue the store closing sales with respect to any portion of their business and store locations that are not otherwise sold;
  - c) contemplates the Prepetition Lenders’ unanimous support of a Plan that will (i) pay all allowed administrative and priority claims in full; (ii) subject to the class of general unsecured creditors voting to accept the Plan, result in general unsecured creditors receiving their *pro rata* share of (x) \$250,000 or (y) 10% of the Net Proceeds (as defined in the RSA) in excess of the ABL Threshold Recovery Amount (as defined in the RSA) (such recovery, the “**GUC Contingent Recovery Pool**”); and (iii) result in a distribution to the ABL Lenders of 100% of the Net Proceeds, less the GUC Contingent Recovery Pool;
  - d) contemplates the Consenting Lenders’ (as defined in the RSA) execution of amendments to their respective credit agreements to waive their respective rights to pursue remedies against any non-Chapter 11 Debtor party, arising out of related to the commencement of the Chapter 11 Proceedings; and
  - e) permits the funding of the transactions contemplated under the RSA (collectively, the “**Transactions**”) using cash collateral (the “**Cash Collateral**”), the proceeds of the Chapter 11 Debtors’ ordinary course operations and/or store closing sales, and the proceeds from any Sale Transaction or inventory liquidation.

4. The RSA also contains several milestones, which are summarized in the table immediately below:

Date	Milestone
Not later than February 9, 2026	Occurrence of the Petition Date
Not later than 5 days following the Petition Date	Interim Cash Collateral Order to be obtained
Not later than 14 days following the Petition Date	Plan and Disclosure Statement (as defined in the RSA) to be filed
Not later than 22 days following the Petition Date	Deadline for submitting a qualified bid for a going concern sale transaction pursuant to the Bidding Procedures (the " <b>Bid Deadline</b> ") shall have occurred
Not later than 3 days after the Bid Deadline	An auction to consider approval of a going concern sale transaction, if applicable, shall commence
Not later than 31 days following the Petition Date	A hearing before the U.S. Court to consider approval of a Sale Transaction, if applicable, shall be held
Not later than 35 days following the Petition Date	The U.S. Court shall have entered an order approving the Disclosure Statement
Not later than 40 days following the Petition Date	The U.S. Court shall have entered an order approving the Chapter 11 Debtors' use of Cash Collateral on a final basis (the " <b>Final Cash Collateral Order</b> ")
Not later than 70 days following the Petition Date	The U.S. Court shall have entered the Confirmation Order (as defined in the RSA)
Not later than 75 days following the Petition Date	The Plan Effective Date (as defined in the RSA) shall have occurred

5. As referenced above, the Proposed Information Officer understands that the RSA was executed contemporaneously with the Amendment and Forbearance Agreement to prevent events of default arising under the Prepetition Loan Facilities that would have entitled the Prepetition Lenders to accelerate their respective debt across all six of the Catalyst brands. Pursuant to the Amendment and Forbearance Agreement, among other things:

- a) the Prepetition Lenders consented to the Chapter 11 Debtors' entry into the RSA and the Transactions;
- b) the parties to the Amendment and Forbearance Agreement agreed that the Transactions do not constitute a "Default", "Event of Default" or "Material Adverse Effect" under and within the ambit of the Prepetition Loan Documents (as defined in the Amendment and Forbearance Agreement); and
- c) as consideration for, among other things, the ABL Lenders agreeing to forbear from exercising their rights and remedies in respect of defaults under the ABL Credit Agreement, the Canadian Debtors agreed to provide the Limited Guarantee.

6. Upon an event of default, the Limited Guarantee provides that the ABL Obligations shall be repaid from the collateral of the U.S. Debtors prior to being repaid from the Canadian Collateral. Further, the Limited Guarantee provides that, upon an event of default, the ABL Agent shall not enforce the Limited Guarantee or exercise any right or remedy with respect to the Canadian Collateral until the earlier to occur of:
- a) the completion of a realization upon all or substantially all of the collateral of the U.S. Debtors pursuant to one or more enforcement actions permitted under the ABL Credit Agreement and applicable law;
  - b) the effectiveness of a plan of reorganization or liquidation of the U.S. Debtors under chapter 11 of the Bankruptcy Code or the entry of a final distribution order in a bankruptcy or insolvency proceeding involving the U.S. Debtors and the distribution to the ABL Agent of amounts pursuant thereto;
  - c) the commencement of a case under chapter 7 of the Bankruptcy Code or the conversion of any chapter 11 case of the U.S. Debtors to a case under chapter 7 of the Bankruptcy Code and the sale or other disposition of all or substantially all of the collateral of the U.S. Debtors;
  - d) the sale or other disposition of all or substantially all of the collateral of the U.S. Debtors by the U.S. Debtors; and
  - e) 180 days following the commencement of the liquidation of the inventory in the stores of the U.S. Debtors, with the proceeds thereof applied to the ABL Obligations in accordance with the requirements of the applicable loan documents, an order of a court of competent jurisdiction or otherwise applied with the consent of the ABL Agent,
- in each case, resulting in an unpaid balance of the ABL Obligations.
7. The Proposed Information Officer understands that, absent the provision of the Limited Guarantee, the Prepetition Lenders would not agree to the Amendment and Forbearance Agreement and the RSA (including the permitted use of Cash Collateral thereunder), which, together provide a means of ensuring the Canadian Debtors can continue to operate while the Going Concern Sale Process and an orderly winddown of the Company's remaining operations are pursued. As detailed in the First Coulombe Affidavit, absent the continued operational and financial support of the U.S. Debtors, the Canadian Debtors cannot continue their business or effectuate an independent restructuring.
8. The Proposed Information Officer further understands that the terms of the Limited Guarantee, including the Maximum Guaranteed Amount and the limitations on the ABL Agent's recourse to the Canadian Collateral described above, are the product of good faith, arm's length negotiations among the Chapter 11 Debtors, the Prepetition Lenders and their respective advisors. The product of such negotiations reflects an effort to, among other things:
- a) obtain the ABL Agent's and the ABL Lenders' consent to the continued use of the Cash Collateral and support for the Company's dual-track restructuring;

- b) address the ABL Agent's and the ABL Lenders' desire for adequate protection in a manner that is commensurate with the value historically obtained by the Canadian Debtors from Eddie Bauer's U.S. business;
  - c) ensure the continued operation of the Canadian Debtors' business while the Going Concern Sale Process and an orderly winddown are conducted; and
  - d) minimize any prejudice resulting from the provision of the Limited Guarantee to the Canadian Debtors' stakeholders.
9. The Proposed Information Officer has requested a security opinion in respect of the security granted in favour of the ABL Agent in connection with the Limited Guarantee. If appointed, the Information Officer will provide an update regarding such security opinion in a future report to the Court.

## 5.0 First Day Orders

1. Pursuant to the proposed Supplemental Order, the Foreign Representative is seeking recognition of certain of the First Day Orders that have been entered by the U.S. Court in the Chapter 11 Proceedings. The First Day Orders proposed to be recognized are described in the Second Coulombe Affidavit and the First Day Declaration. Copies of such First Day Orders are attached to the Second Coulombe Affidavit as Exhibits "I" – "S", "U" – "V" and "Y" – "Z", and are also available on the Docket.
2. The First Day Orders proposed to be recognized may be summarized as follows:
  - a) Joint Administration Order – The Joint Administration Order directs the procedural consolidation and joint administration of the Chapter 11 Proceedings for procedural purposes only.
  - b) Automatic Stay Order – Among other things, the Automatic Stay Order: (i) restates and enforces the Bankruptcy Code's worldwide automatic stay, anti-discrimination provisions and *ipso facto* protections; and (ii) approves the form and manner of notice related thereto.
  - c) Foreign Representative Order – Among other things, the Foreign Representative Order: (i) authorizes EB LLC to act as the Foreign Representative, including seeking recognition of the Chapter 11 Proceedings in these Recognition Proceedings, requesting that the Court lend assistance to the U.S. Court in protecting the Chapter 11 Debtors' assets, operations and property, consistent with any orders of the Court, retaining and compensating Canadian professionals on behalf of the Foreign Representative and paying the costs of the Information Officer and its counsel, each without further order of the U.S. Court, and seek any other appropriate relief from the Court that the Foreign Representative deems just and proper in furtherance of the protection of the Chapter 11 Debtors' estates; and (ii) requests the aid and assistance of the Court to recognize the Chapter 11 Proceedings as a "foreign main proceeding" and EB LLC as a "foreign representative" pursuant to the CCAA and to recognize and give full force and effect in all provinces and territories in Canada

to the Foreign Representative Order and to other orders issued by the U.S. Court in the Chapter 11 Proceedings.

- d) Claims and Noticing Agent Order – The Claims and Noticing Agent Order authorizes, but does not direct, the appointment of Stretto, Inc. as the Claims and Noticing Agent in the Chapter 11 Proceedings.
- e) Interim Cash Management Order – Among other things, the Interim Cash Management Order authorizes, but does not direct, the Chapter 11 Debtors, in the ordinary course of business, to: (i) continue using the Cash Management System; (ii) honour any prepetition obligations related to the Cash Management System; (iii) continue to perform the Intercompany Transactions and treat postpetition Intercompany Balances in a manner consistent with the U.S. Court's grant of administrative expenses status thereto; (iv) maintain existing bank accounts; (v) pay payment processing and transport fees; and (vi) pay bank fees and charges incurred in connection with the Chapter 11 Debtors' bank accounts and treasury management services, in each case, irrespective of whether such fees arose prior to the Petition Date.
- f) Interim Cash Collateral Order – Among other things, the Interim Cash Collateral Order: (i) authorizes the Chapter 11 Debtors' use of the Cash Collateral solely in accordance with and to the extent set out in the Approved Budget and the Interim Cash Collateral Order, including the Carve Out (as defined in the Interim Cash Collateral Order) for certain statutory and allowed professional fees, between entry of the Interim Cash Collateral Order and the Termination Date (as defined in the Interim Cash Collateral Order) in an amount not to exceed at any time, prior to the payment in full of the Prepetition Secured Parties (as defined in the Interim Cash Collateral Order), the aggregate amount of disbursements projected in the Approved Budget, subject to the Permitted Variances (as defined in the Interim Cash Collateral Order) and the other terms of the Interim Cash Collateral Order, or such other amounts that may be agreed to in writing by the ABL Agent in its Permitted Discretion (as defined in the Interim Cash Collateral Order); (ii) grants the Prepetition Secured Parties Adequate Protection Liens and Superpriority Claims (each as defined in the Interim Cash Collateral Order) junior in priority to the Charges; (iii) contains certain stipulations agreed to by the Chapter 11 Debtors regarding the validity, enforceability, binding nature, non-voidability and extent of the Prepetition Secured Parties' applicable loan documents, claims and liens, including in respect of the Limited Guarantee; (iv) requires the Chapter 11 Debtors to comply with certain milestones, including the requirement to file a Plan not later than fourteen calendar days following the Petition Date and for the Bid Deadline to occur not later than 22 days after the Petition Date; (v) requires that any committee appointed in the Chapter 11 Proceedings or any other party in interest granted standing by the U.S. Court that seeks to assert claims against any of the ABL Agent, the Term Loan Agent, the Subordinated Loan Agent, or the Prepetition Lenders, on behalf of the Chapter 11 Debtors or the Chapter 11 Debtors' creditors or to otherwise challenge the stipulations provided by the Chapter 11 Debtors under the Interim Cash Collateral Order, including in relation to the validity, extent, priority, or perfection of the security interests, and liens of such parties, the validity, allowance, priority, or amount of the ABL



Obligations, the Term Loan Obligations, or the Subordinated Loan Obligations, or any liability of any of the Prepetition Secured Parties with respect to anything arising from the Loan Documents (as defined in the Interim Cash Collateral Order), file the appropriate papers and commence the appropriate proceedings within the applicable Challenge Period (as defined in the Interim Cash Collateral Order); (vi) requires that, commencing on the last business day of the fourth week following the Petition Date, and each week thereafter, the Chapter 11 Debtors make adequate protection cash payments from a bank account of a U.S. Debtor to the ABL Agent in an amount equal to the greater of (A) the amount set forth in the line item titled "Distribution to Creditors," for the week of the determination date as set forth in the applicable Approved Budget, and (B) the Minimum Sweep Balance (as defined in the Interim Cash Collateral Order) as of the determination date (such amount, the "**Weekly Paydown Amount**"), provided that, if (x) the actual ending book cash as of the date of determination is less than (y) the amount set forth in the line item titled "Ending Book Cash" as of the date of determination in the applicable Approved Budget, then the Weekly Paydown Amount for such week shall be reduced by an amount equal to (y) less (x); and (vii) orders that none of the Prepetition Secured Parties will be subject to the equitable doctrine of marshalling.

- g) Interim Wages Order – Among other things, the Interim Wages Order authorizes, but does not direct, the Chapter 11 Debtors, subject to the Interim Cash Collateral Order, any Final Cash Collateral Order and the Approved Budget to: (i) pay, either directly or through SPARC, all outstanding prepetition wages, salaries, commissions, benefits, other compensation and obligations, reimbursable expenses, and related amounts on account of their compensation and benefits programs in cash as they become due and payable and to continue making such payments in the ordinary course of business; (ii) continue to administer their compensation and benefits programs in the ordinary course of business; (iii) modify, change, add to, supplement and/or discontinue their compensation and benefit programs in the ordinary course; and (iv) pay all prepetition or postpetition costs and expenses incidental to payment of the Chapter 11 Debtors' compensation and benefits obligations, including those owed to their payroll processors.
- h) Interim Critical Vendors Orders – Subject to the Interim Cash Collateral Order, any Final Cash Collateral Order and the Approved Budget, the Interim Critical Vendors Order, among other things: (i) authorizes, but does not require, the Chapter 11 Debtors to pay, in the ordinary course of business, prepetition amounts owing on account of critical vendor claims, foreign vendor claims, claims under section 503(b)(9) of the Bankruptcy Code, and lien claims; (ii) authorizes the Chapter 11 Debtors to, in exchange for the payment of their prepetition claims as contemplated under the Interim Critical Vendors Order, require trade claimants to provide favourable trade terms for the postpetition procurement of goods and services; and (iii) grants administrative expense priority to undisputed and unsatisfied obligations on account of goods ordered by or services provided to the Chapter 11 Debtors prior to the Petition Date that will not be delivered until after the Petition Date and authorizes the Chapter 11 Debtors to satisfy such obligations in the ordinary course of business.



- i) Interim Utilities Order – Subject to the Interim Cash Collateral Order, any Final Cash Collateral Order and the Approved Budget, the Interim Utilities Order among other things: (i) approves the Chapter 11 Debtors' proposed form of adequate assurance of payment for future utility services; (ii) prohibits the Chapter 11 Debtors' utility providers from altering, refusing or discontinuing services; (iii) approves the procedures for resolving adequate assurance requests; and (iv) authorizes fee payments to the Chapter 11 Debtors' utility agents.
- j) Interim Taxes Order – Subject to the Interim Cash Collateral Order, any Final Cash Collateral Order and the Approved Budget, the Interim Taxes Order authorizes the Chapter 11 Debtors to, among other things, negotiate, remit, and pay (or use tax credits to offset) various taxes and fees in the ordinary course of business that are payable or become payable during the Chapter 11 Proceedings, including any obligations arising on account of any assessments, or otherwise to be owed for periods prior to, including, or following the Petition Date, without regard to whether such obligations accrued or arose before, on, or after the Petition Date, as necessary.
- k) Interim Insurance Order – Subject to the Interim Cash Collateral Order, any Final Cash Collateral Order and the Approved Budget, the Interim Insurance Order, among other things, authorizes, but does not direct, the Chapter 11 Debtors to: (i) maintain insurance and surety coverage under the insurance policies, the surety bonds, and the letters of credit entered into prepetition and pay related prepetition obligations in the ordinary course of business; and (ii) renew, supplement, modify, or purchase insurance, surety coverage, and letters of credit in the ordinary course of business on a postpetition basis.
- l) Interim Customer Programs Order – Subject to the Interim Cash Collateral Order, any Final Cash Collateral Order and the Approved Budget, the Interim Customer Programs Order, among other things, authorizes the Chapter 11 Debtors to: (i) continue to administer their customer programs currently in effect (including, without limitation, their gift card program, co-branded credit card program, adventure rewards program, charitable programs and refund and exchange program); (ii) honour any undisputed obligations related to their customer programs, whether incurred prepetition or postpetition as they come due, in each case, in the ordinary course of business; and (iii) modify, replace, supplement or terminate any customer program in the ordinary course of business.
- m) Scheduling Order – The Scheduling Order schedules dates and deadlines with respect to the Chapter 11 Debtors' Disclosure Statement and Plan confirmation, including: (i) a Bid Deadline of 5:00 p.m. (prevailing Eastern Time) on March 3, 2026; (ii) a date for the Auction, if any, of March 6, 2026; (iii) a deadline to object to the Disclosure Statement of 4:00 p.m. (prevailing Eastern Time) on March 9, 2026; (iv) a deadline to object to any Sale Transaction or the ability of the successful bidder to provide adequate assurance of future performance with respect to any executory contract or unexpired lease assumed or assumed and assigned in connection with a Sale Transaction of 5:00 p.m. (prevailing Eastern Time) on March 10, 2026; (v) a deadline to reply to any objection to any Sale

Transaction or the ability of the successful bidder to provide adequate assurance of future performance with respect to any executory contract or unexpired lease assumed or assumed and assigned in connection with a Sale Transaction of 5:00 p.m. (prevailing Eastern Time) of March 11, 2026; (vi) a date for the hearing to consider approval of any Sale Transaction of March 12, 2026; (vii) a date for the hearing to consider conditional approval of the Disclosure Statement of March 16, 2026; and (viii) a date for the hearing to consider confirmation of the Plan of April 16, 2026.

- n) Bidding Procedures Order – Among other things, the Bidding Procedures Order: (i) authorizes and approves the marketing, auction and bidding procedures attached as Exhibit 1 to the Bidding Procedures Order (the “**Bidding Procedures**”), pursuant to which the Chapter 11 Debtors will solicit and, if value maximizing, select the highest or otherwise best offer(s) for the sale or sales of all, substantially all, or any portion of the Chapter 11 Debtors’ assets; (ii) approves stalking horse protections relating to a stalking horse bidder, if any; (iii) schedules an auction (the “**Auction**”), if needed, to determine the highest and otherwise best bid available; (iv) approves the form and manner of notice of the Auction, if any, and any hearing to approve a sale of some, all or substantially all of the Chapter 11 Debtors’ assets, as necessary; and (v) approves procedures for the assumption and assignment of certain executory contracts and unexpired leases.
  - o) Interim Store Closing Order – Subject to the Interim Cash Collateral Order, any Final Cash Collateral Order and the Approved Budget, the Interim Store Closing Order, among other things: (i) authorizes, but does not direct, the Chapter 11 Debtors to assume and perform the Agency Agreement; (ii) authorizes and approves the conduct of store closings or similar themed sales that are ongoing as of the Petition Date at the stores listed on Exhibit A to the Agency Agreement (the “**Closing Stores**”), with such sales at the Closing Stores to be free and clear of all liens, claims, and encumbrances pursuant to the Bankruptcy Code, in accordance with the terms of the store closing sale guidelines attached as Exhibit 2-A to the Interim Store Closing Order with respect to the Closing Stores located in the United States and as Exhibit 2-B with respect to the Closing Stores located in Canada (the “**Canadian Sale Guidelines**”); and (iii) approves modifications to certain customer programs at the Closing Stores, including the acceptance of gift cards.
3. The Proposed Information Officer has reviewed the First Day Orders proposed to be recognized pursuant to the Supplemental Order and discussed the rationale for such orders with its independent counsel, Bennett Jones LLP (“**Bennett Jones**”), and Canadian counsel to the Chapter 11 Debtors. The Proposed Information Officer is supportive of the Foreign Representative’s request for recognition of the above-referenced First Day Orders given, among other things, that:
- a) in the Proposed Information Officer’s view, much of the relief contained in the First Day Orders is:
    - i. common in chapter 11 cases;

- ii. save for certain exceptions, procedural or administrative in nature; and
  - iii. frequently recognized by Canadian courts in cross-border insolvency proceedings;
- b) the granting of the proposed Supplemental Order and recognition of the First Day Orders set out therein would be consistent with the principles of comity and facilitate the efficient coordination of the Chapter 11 Proceedings and these Recognition Proceedings;
- c) Canadian and U.S. stakeholders are treated in the same manner under each of the First Day Orders proposed to be recognized pursuant to the Supplemental Order;
- d) although the Interim Cash Collateral Order and Interim Cash Management Order contemplate the potential transfer of cash amounts as between the Chapter 11 Debtors, the proposed Supplemental Order provides that any such amounts transferred by the Canadian Debtors to the U.S. Debtors following the date of the Supplemental Order will solely be in respect of Intercompany Claims consistent with the Canadian Cash Collateral Budget or as otherwise approved in advance by the Information Officer;
- e) with respect to the Interim Cash Collateral Order:
  - i. the Chapter 11 Debtors' permitted use of the Cash Collateral is expected to obviate the need for debtor-in-possession financing and allow the Chapter 11 Debtors to fund the Transactions contemplated under the RSA;
  - ii. the Chapter 11 Debtors, including the Canadian Debtors, require the continued use of the Cash Collateral to operate their business, to conduct the Going Concern Sale Process and an orderly winddown of all of the Company's brick-and-mortar retail operations not sold in a Sale Transaction and to fund the Chapter 11 Proceedings and these Recognition Proceedings; and
  - iii. nothing in the Interim Cash Collateral Order prejudices the rights of any statutory committee appointed in the Chapter 11 Proceedings or any other party in interest granted standing by the U.S. Court to seek to assert claims against any of the ABL Agent, the Term Loan Agent, the Subordinated Loan Agent, or the Prepetition Lenders, on behalf of the Chapter 11 Debtors or other Debtors' creditors or to otherwise challenge the stipulations provided by the Chapter 11 Debtors under the Interim Cash Collateral Order, including in relation to the validity, extent, priority, or perfection of the security interests, and liens of such parties, the validity, allowance, priority, or amount of the ABL Obligations, the Term Loan Obligations, or the Subordinated Loan Obligations, or any liability of any of the Prepetition Lenders with respect to anything arising from the Loan Documents, provided that such committee or other party in interest files the appropriate papers and commences the appropriate proceedings within the applicable Challenge Period;

- f) with respect to the Interim Store Closing Order:
- i. the orderly winddown of all of the Chapter 11 Debtors' brick-and-mortar retail operations is an integral feature of the Company's dual-track restructuring process;
  - ii. the Sales Agent has considerable expertise and experience in retail liquidations, including in Canada, and has been engaged since January 29, 2026;
  - iii. the terms of the Agency Agreement are, in the Proposed Information Officer's view, reasonable in the circumstances; and
  - iv. the Canadian Sale Guidelines have been tailored to better reflect liquidation sale guidelines previously approved in recent Canadian liquidation sales under the CCAA;
- g) with respect to the Bidding Procedures Order:
- i. the Bidding Procedures facilitate the continuation of the Chapter 11 Debtors' Going Concern Sale Process, which has been and will continue to be led by SOLIC;
  - ii. while the timeline contemplated by the Bidding Procedures, including its Bid Deadline of March 3, 2026, a deadline for the Auction (if necessary) of March 6, 2026, and a sale hearing date on or about March 12, 2026, is relatively brief, it is informed by SOLIC's prepetition marketing efforts – having been retained on November 24, 2025 – and assisted by the indications of interest submitted to-date;
  - iii. the Bidding Procedures permit, but do not require, the selection of a stalking horse bidder, which, if selected, will be entitled to a break-up fee not to exceed 3% of the aggregate amount of the purchase price to be paid for the applicable assets and/or reimbursement of reasonable and documented out of pocket fees and expenses; and
  - iv. as in the case of the orderly winddown of all of the Chapter 11 Debtors' brick-and-mortar retail operations, the Going Concern Sale Process to be conducted in accordance with the Bidding Procedures is an integral feature of the Company's dual-track restructuring process; and
- h) the Proposed Information Officer is not aware of any objection having been filed in the Chapter 11 Proceedings by a Canadian stakeholder in respect of the First Day Orders for which recognition is sought pursuant to the proposed Supplemental Order.

## 6.0 Proposed Charges

1. Pursuant to the proposed Supplemental Order, the Foreign Representative seeks the granting of the Charges over the Canadian Debtors' Property. The priorities of the Charges are proposed to be as follows:
  - a) First – Administration Charge (up to the maximum amount of CAD\$1 million);
  - b) Second – Directors' Charge (up to the maximum amount of CAD\$1.927 million); and
  - c) Third – Intercompany Charge.
2. The Proposed Information Officer's views on each of the Charges are set out below.

### 6.1 Administration Charge

1. The proposed Supplemental Order provides for an Administration Charge up to the maximum amount of CAD\$1 million in favour of Canadian counsel to the Chapter 11 Debtors, the Information Officer and counsel to the Information Officer. The Administration Charge is intended to provide security for the fees and disbursements of such professionals, each of which is expected to have a distinct role in these Recognition Proceedings and has and will continue to contribute to the Canadian Debtors' restructuring efforts.
2. The Proposed Information Officer is of the view that the quantum of the proposed Administration Charge is reasonable and commensurate with the nature, scope and complexity of these Recognition Proceedings and the professional costs expected to be incurred by the Canadian Debtors. Further, the Proposed Information Officer believes that the proposed Administration Charge will ensure that the Chapter 11 Debtors have the benefit of the professional advice and expertise necessary for the success of these Recognition Proceedings.

### 6.2 Directors' Charge

1. The proposed Supplemental Order requires that the Canadian Debtors indemnify their directors and officers against obligations and liabilities that they may incur in their capacity as directors and officers of the Canadian Debtors following the commencement of these Recognition Proceedings. Such indemnity excludes any obligation or liability arising from a director's or officer's gross negligence or wilful misconduct. As security for such indemnity, the proposed Supplemental Order grants a charge over the Canadian Debtors' Property in the amount of CAD\$1.927 million in favour of the Canadian Debtors' directors and officers.
2. The Proposed Information Officer understands that the Canadian Debtors' directors and officers may benefit from directors' and officers' insurance maintained by the Company's ultimate parent, Copper Retail JV LLC, for the benefit of itself and its direct and indirect subsidiaries. However, the Proposed Information Officer also understands that such insurance contains certain exceptions, exclusions and carve-outs, and as a result, may not provide adequate coverage to the Canadian Debtors' directors and officers during these Recognition Proceedings.

3. The quantum of the proposed Directors' Charge was determined by the Canadian Debtors, in consultation with the Proposed Information Officer, and calculated as follows:

	<b>Rounded (CAD\$)</b>	<b>As calculated (CAD\$)</b>
Payroll, including source deductions	410,000	409,918
Vacation Pay	343,000	342,192
Sales tax	1,174,000	1,173,434
<b>Total</b>	<b>1,927,000</b>	<b>1,925,544</b>

4. Considering the potential liabilities facing the Canadian Debtors' directors and officers in these Recognition Proceedings, the scope of the existing directors' and officers' insurance, and the customary limitations on the Canadian Debtors' directors' and officers' recourse to the proposed Directors' Charge, the Proposed Information Officer is of the view that the Directors' Charge is reasonable in the circumstances.

### **6.3 Intercompany Charge**

1. The proposed Supplemental Order provides for the Intercompany Charge to secure all Intercompany Claims arising on or after the date of the Supplemental Order. As referenced above, amounts transferred by the Canadian Debtors to the U.S. Debtors will solely be in respect of Intercompany Claims consistent with the Canadian Cash Collateral Budget or as otherwise approved in advance by the Information Officer.
2. The Proposed Information Officer is of the view that the proposed Intercompany Charge is appropriate in the circumstances, given that:
  - a) the Company has historically relied on the Intercompany Transactions to facilitate its business operations and ensure that the Canadian Debtors' funding needs may be met in the ordinary course;
  - b) the Canadian Debtors are, as described in the Coulombe Affidavits, entirely dependent on the U.S. Debtors and SPARC for, among other things, shared services and financial and other support, absent which the Canadian Debtors cannot continue their operations;
  - c) based on its review of the Canadian Cash Collateral Budget, the Proposed Information Officer believes that the Intercompany Claims contemplated therein are reasonable in the circumstances; and
  - d) any deviation from the Canada Cash Collateral Budget is subject to the Information Officer's prior approval.

## 7.0 Activities of the Proposed Information Officer

1. The activities of the Proposed Information Officer to date have included, among others:
  - a) preparing for and attending the then proposed Foreign Representative's application for the Interim Stay Order;
  - b) reviewing each of the First Day Motions and the First Day Orders in respect of which recognition is sought pursuant to the proposed Supplemental Order;
  - c) attending, virtually, the hearing of the Chapter 11 Debtors' First Day Motions in the Chapter 11 Proceedings;
  - d) corresponding with the Chapter 11 Debtors' Canadian counsel and Bennett Jones regarding the Chapter 11 Proceedings and these Recognition Proceedings;
  - e) monitoring the Docket and reviewing the materials filed thereon; and
  - f) preparing this Report.
2. If granted, the proposed Initial Recognition Order and Supplemental Order will require the Information Officer to, among other things:
  - a) establish a case website on which, among other things, materials filed in these Recognition Proceedings will be posted, including any orders granted by the Court and the Information Officer's reports to the Court (having the following URL: <https://www.ksvadvisory.com/experience/case/eddiebauer>);
  - b) maintain a service list for use in these Recognition Proceedings;
  - c) assist the Foreign Representative in its publication of a notice substantially in the form attached to the proposed Initial Recognition Order, once a week for two consecutive weeks, in *The Globe and Mail (National Edition)*;
  - d) provide creditors of the Chapter 11 Debtors with non-confidential information provided by the Chapter 11 Debtors in response to reasonable requests for such information; and
  - e) report to the Court with respect to the status of the Chapter 11 Proceedings and these Recognition Proceedings.

## 8.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposed Information Officer recommends that this Court grant the relief sought by the Foreign Representative pursuant to the proposed Initial Recognition Order and the Supplemental Order.

\* \* \*



All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC. AS  
PROPOSED INFORMATION OFFICER OF EDDIE BAUER LLC, EDDIE BAUER GIFT CARD  
SERVICES LLC, SPARC EB HOLDINGS LLC, 13051269 CANADA INC. AND EDDIE BAUER  
OF CANADA CORPORATION,  
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

## **Appendix “A”**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

THE HONOURABLE	)	MONDAY, THE 9TH
	)	
JUSTICE CAVANAGH	)	DAY OF FEBRUARY, 2026

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF EDDIE BAUER LLC, EDDIE BAUER GIFT CARD  
SERVICES LLC, SPARC EB HOLDINGS LLC, 13051269 CANADA INC., AND  
EDDIE BAUER OF CANADA CORPORATION

APPLICATION OF EDDIE BAUER LLC UNDER SECTION 46 OF THE  
*COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS  
AMENDED

**INTERIM STAY ORDER**  
**(FOREIGN PROCEEDING)**

**THIS APPLICATION**, made pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and section 106 of the *Courts of Justice Act*, R.S.O. 1990 c. C. 43, as amended, by Eddie Bauer LLC, in its capacity as the proposed foreign representative (the "**Proposed Foreign Representative**") in respect of the proceedings commenced on February 9, 2026, in the United States Bankruptcy Court for the District of New Jersey pursuant to chapter 11 of title 11 of the United States Bankruptcy Code (the "**Foreign Proceeding**"), for an Order substantially in the form enclosed in the Application Record, was heard this day by judicial videoconference in Toronto, Ontario.

**ON READING** the Notice of Application and the affidavit of Stephen Coulombe affirmed 9, 2026, filed,

**AND UPON HEARING** the submissions of counsel for the Proposed Foreign Representative, counsel for KSV Restructuring Inc., in its capacity as the proposed information

officer (the “**Proposed Information Officer**”), and those other parties that were present and wished to be heard:

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

## **STAY OF PROCEEDINGS**

2. **THIS COURT ORDERS** that from the date hereof until such date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal in Canada (each, a “**Proceeding**”) shall be commenced or continued against or in respect of (a) 13051269 Canada Inc. and Eddie Bauer of Canada Corporation (collectively, the “**Canadian Debtors**”) or affecting their business (the “**Canadian Debtors’ Business**”) or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Canadian Debtors’ Property**”), or (b) Eddie Bauer LLC, Eddie Bauer Gift Card Services LLC and SPARC EB Holdings LLC (together with the Canadian Debtors, the “**Chapter 11 Debtors**”) or affecting their business in Canada (together with the Canadian Debtors’ Business, the “**Business**”) or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate in Canada, including all proceeds thereof (together with the Canadian Debtors’ Property, the “**Property**”), except with the written consent of the applicable Chapter 11 Debtor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Chapter 11 Debtors, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court.

## **NO EXERCISE OF RIGHTS OR REMEDIES**

3. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities or person (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of any of the Chapter 11 Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the applicable Chapter 11 Debtor, or with leave of

this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies outside of Canada (including, without limitation, in the Foreign Proceeding), (ii) empower any Chapter 11 Debtor to carry on any business in Canada which such Chapter 11 Debtor is not lawfully entitled to carry on, (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

4. **THIS COURT ORDERS** that, during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, licence or permit in favour of or held by any of the Chapter 11 Debtors and affecting the Business or Property in Canada, except with the written consent of the applicable Chapter 11 Debtor, or with leave of this Court.

#### **ADDITIONAL PROTECTIONS**

5. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with any of the Chapter 11 Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation, all licencing arrangements, manufacturing arrangements, computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, fuel, maintenance, customs broker services or other services provided in respect of the Property or Business of any of the Chapter 11 Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by any of the Chapter 11 Debtors, and that each of the Chapter 11 Debtors shall be entitled to the continued use in Canada of its current premises, bank accounts, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Chapter 11 Debtors in accordance with normal payment practices of the Chapter 11 Debtors or such practices as may be agreed upon by the supplier or service provider and the Chapter 11 Debtors or as may be ordered by the Court.

6. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Chapter 11 Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Chapter 11 Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

#### **NO SALE OF PROPERTY**

7. **THIS COURT ORDERS** that, except with leave of this Court, each of the Chapter 11 Debtors are prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its Business, any of its Property in Canada that relates to the Business; and
- (b) any of its other Property in Canada.

#### **SERVICE AND NOTICE**

8. **THIS COURT ORDERS** that service and electronic service of documents in these proceedings made in accordance with the Consolidated Civil Provincial Practice Direction and the Consolidated Practice Direction for the Toronto Region (collectively, the “**Practice Directions**”) (each of which can be found on the Ontario Superior Court of Justice website at <https://www.ontariocourts.ca/scj/filing-procedures/provincial/> and [https://www.ontariocourts.ca/scj/practice\\_directions/consolidated-practice-direction-toronto-region/](https://www.ontariocourts.ca/scj/practice_directions/consolidated-practice-direction-toronto-region/)) shall be valid and effective service. Subject to Rule 17.05 of the Rules of Civil Procedure, R.R.O. 1990, Reg 194, as amended (the “**Rules**”), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and the applicable Practice Directions, service of documents in accordance with the Practice Directions will be effective on transmission.

9. **THIS COURT ORDERS** that the Chapter 11 Debtors, the Proposed Foreign Representative, the Proposed Information Officer, and their respective counsel are at liberty to

serve or distribute this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or electronic message to the Chapter 11 Debtors' creditors or other interested parties and their advisors at their respective addresses (including e-mail addresses) as last shown in the books and records of the applicable Chapter 11 Debtor and that any such service or distribution shall be deemed to be received (a) in the case of delivery by personal delivery, facsimile or electronic transmission, on the date of delivery or transmission, (b) in the case of delivery by prepaid ordinary mail, on the third business day after mailing, and (c) in the case of delivery by courier, on the next business day following the date of forwarding thereof.

10. **THIS COURT ORDERS** that any distribution or service in accordance with this Order shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

#### **GENERAL**

11. **THIS COURT ORDERS** that any party may, from time to time, apply to this Court for such further or other relief as it may advise, including for directions in respect of this Order.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada, the United States of America or any other foreign jurisdiction, to give effect to this Order and to assist the Chapter 11 Debtors, the Proposed Foreign Representative, and their respective counsel and agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors and the Proposed Foreign Representative as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors and the Proposed Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.



13. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order without the need for entry or filing of this Order.



---

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No: CL-26-00000050-0000

AND IN THE MATTER OF EDDIE BAUER LLC, ET AL.

APPLICATION OF EDDIE BAUER LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

**Applicant**

*Ontario*  
**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**  
Proceeding commenced at Toronto

**INTERIM STAY ORDER  
(FOREIGN PROCEEDING)**

**OSLER, HOSKIN & HARCOURT, LLP**

P.O. Box 50, 1 First Canadian Place  
Toronto, ON M5X 1B8

Marc Wasserman (LSO# 44066M)  
Tel: 416.862.4908  
mwasserman@osler.com

Shawn Irving (LSO# 50035U)  
Tel: 416.862.4733  
sirving@osler.com

Martino Calvaruso (LSO# 57359Q)  
Tel: 416.862.6665  
mcalvaruso@osler.com

Marleigh Dick (LSO# 79390S)  
Tel: 416.862.4725  
mdick@osler.com

Lawyers for the Applicant

## **Appendix “B”**



ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: CL-2600000050-0000

DATE: 09-FEB-2026

NO. ON LIST: 3

TITLE OF PROCEEDING: IN THE MATTER OF EDDIE BAUER LLC

BEFORE: JUSTICE CAVANAGH

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party:**

Name of Person Appearing	Name of Party	Contact Info
Shawn Irving Marc Wasserman Martino Calvaruso Marleigh Dick	Lawyers for the Applicant, Eddie Bauer LLC	sirving@osler.com mwasserman@osler.com mcalvaruso@osler.com mdick@osler.com

**For Defendant, Respondent, Responding Party:**

Name of Person Appearing	Name of Party	Contact Info
Mike Shakra	Lawyer for the Proposed Information Officer, KSV Restructuring Inc.	shakram@bennettjones.com
Linc Rogers	Lawyer for Pre-Petition ABL Agent, Wells Fargo	Linc.rogers@blakes.com

**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info

## **ENDORSEMENT OF JUSTICE CAVANAGH:**

[1] Eddie Bauer LLC (“**Eddie Bauer U.S.**”), in its capacity as the proposed foreign representative (in such capacity, the “**Foreign Representative**”) of the Chapter 11 Debtors (defined in the application materials), brings this application for an order (the “**Interim Stay Order**”) pursuant to s. 106 of the *Courts of Justice Act*, R.S.O. 1990, c C.43 (the “**CJA**”) and Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) granting, among other things, an interim stay of proceedings in respect of the Chapter 11 Debtors and their respective directors and officers in Canada.

[2] Eddie Bauer – a leading retailer in casual apparel, outdoor gear, and home goods – is currently facing significant balance sheet and liquidity challenges. On February 9, 2026, Eddie Bauer U.S. and four other debtors in possession (collectively, the “**Chapter 11 Debtors**” or the “**Company**”) filed voluntary petitions for relief in the United States Bankruptcy Court for the District of New Jersey (the “**U.S. Court**”), pursuant to Chapter 11 of the U.S. Bankruptcy Code (the “**Petitions**,” and the cases commenced thereby the “**Chapter 11 Cases**”). The Chapter 11 Debtors include two Canadian entities, 13051269 Canada Inc. and Eddie Bauer of Canada Corporation (“**Eddie Bauer Canada**” and collectively the “**Canadian Debtors**”). Eddie Bauer Canada is the Company’s primary operating entity in Canada, where it operates 24 retail locations spread across six provinces.

[3] Concurrently with the Petitions, the Chapter 11 Debtors have filed several first day motions and applications in the Chapter 11 Cases with the U.S. Court (collectively, the “**First Day Motions**”), including an order authorizing Eddie Bauer U.S. to act as Foreign Representative in respect of the Chapter 11 Cases (the “**Foreign Representative Order**”). The U.S. Court is expected to hear the First Day Motions on February 10, 2026.

[4] Once the Foreign Representative Order has been issued by the U.S. Court, Eddie Bauer U.S., in its capacity as Foreign Representative, will return to this Court in order to seek: (i) the “**Initial Recognition Order**,” recognizing Eddie Bauer U.S. as Foreign Representative and recognizing the Chapter 11 Cases as “foreign main proceedings” in respect of the Canadian Debtors; and (ii) the “**Supplemental Order**,” among other things, recognizing certain First Day Orders issued by the U.S. Court (the “**First Day Orders**”).

[5] Pending the hearing of the First Day Motions and the granting of the Foreign Representative Order, the proposed Foreign Representative seeks the Interim Stay Order in order to give effect in Canada to the automatic stay of proceedings which applies in the Chapter 11 Cases, maintain the *status quo*, and preserve the value of the Canadian business. The Interim Stay Order, which accords with the recent practice of this Court in Part IV proceedings under the CCAA, is designed to protect the property and operations of the Chapter 11 Debtors from the potential enforcement of any rights and remedies in Canada, including in relation to Eddie Bauer Canada’s retail leases.

[6] The facts are more fully set out in the Affidavit of Stephen Coulombe.

[7] I am satisfied that Ontario is a proper jurisdiction for these recognition proceedings. As Part IV of the CCAA does not contain any provisions with respect to the jurisdiction of a particular Canadian court to hear a recognition application, it is appropriate for the Ontario court to take jurisdiction given the Canadian Debtors’ substantial connection to Ontario, including the following:

- a. each of the Canadian Debtors maintains a registered office in Toronto;

- b. Ontario is the location of the highest number of Eddie Bauer Canada's stores, (11 out of 24 stores, representing nearly half of the Canadian total); and
- c. the majority of Eddie Bauer Canada's employees are located in Ontario (182 out of 379 total employees in Canada).

[8] Pursuant to section 46(2) of the CCAA, a foreign representative seeking recognition of a foreign proceeding must include in its application, among other things, certified copies of the instruments that commenced the foreign proceeding and authorized the foreign representative to act in such a capacity. However, the proposed Foreign Representative Order authorizing Eddie Bauer U.S. to act as Foreign Representative will not be available until the Chapter 11 Debtors appear before the U.S. Court to seek the First Day Orders.

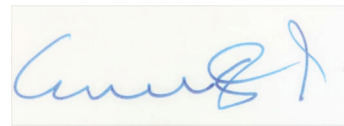
[9] As a result, the Foreign Representative is not yet able to seek the Initial Recognition Order and Supplemental Order from this Court. While the Chapter 11 Debtors obtained the benefit of a stay of proceedings upon filing the Petitions with the U.S. Court, without the granting of the Interim Stay Order the Chapter 11 Debtors will not have the protection of a stay in Canada during this key period.

[10] The Court's jurisdiction to grant an interim stay in the context of a pending recognition application is grounded in s. 106 of the *Courts of Justice Act*, which authorizes Ontario courts to stay proceedings on such terms as are considered just, in s. 11.02 of the CCAA, which allows the granting of a stay on the initial application of a debtor company, and in the Court's inherent jurisdiction. Further, as noted by Chief Justice Morawetz in *Paladin Labs Canadian Holding Inc.*, 2022 ONSC 4748 at para. 20, granting an interim stay in such circumstances accords with "the principles of cooperation and comity" and represents "necessary and appropriate" relief pending the full recognition hearing.

[11] The Interim Stay Order provides for a stay of proceedings in favour of the Chapter 11 Debtors in respect of their business and property in Canada, along with a stay of proceedings in favour of the directors and officers of the Chapter 11 Debtors. This proposed interim stay will give effect in Canada to the automatic stay of proceedings in the Chapter 11 Cases and will provide stability and preserve the value of the Canadian business pending Eddie Bauer U.S.'s appointment as foreign representative.

[12] I am satisfied that the proposed Interim Stay Order should be made.

[13] Order to go as signed by me today. This order is effective from today's date and is enforceable without the need for entry and filing.



---

## **Appendix “C”**



Court File No.: \_\_\_\_\_

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF SPARC EB HOLDINGS LLC, EDDIE BAUER LLC, EDDIE  
BAUER GIFT CARD SERVICES LLC, 13051269 CANADA INC. AND EDDIE BAUER  
OF CANADA CORPORATION**

**APPLICATION OF EDDIE BAUER LLC UNDER SECTION 46 OF  
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,  
c. C-36, AS AMENDED**

Applicant

**CONSENT TO ACT AS INFORMATION OFFICER**

**KSV RESTRUCTURING INC.** hereby consents to act as the information officer in respect of the above-captioned proceedings pursuant to the terms of the Supplemental Order (Foreign Main Proceeding) proposed by the Applicant.

Dated at Toronto, Ontario this 8<sup>th</sup> day of February, 2026.

**KSV RESTRUCTURING INC.**

Per: 

Name: Noah Goldstein

Title: Managing Director

## **Appendix “D”**

TERM	AGENCY AGREEMENT						
<b>Services Provided by Agent</b>	<p>The Agent shall: (a) provide qualified supervisors (the “<u>Supervisors</u>”) engaged by Agent to oversee the management of the Closing Stores and the Sale; (b) recommend appropriate point-of-sale and external advertising for the Closing Stores; (c) recommend appropriate discounts of Merchandise, staffing levels for the Closing Stores and appropriate bonus and incentive programs; (d) recommend appropriate allocation and replenishment of Merchandise; (e) assist the Merchant in connection with planning, execution, and evaluation of marketing, customer retention, and brand enhancement programs; (f) to the extent that information is available, evaluate sales and recovery performance of Merchandise by category and sales reporting and monitor expenses in accordance with an agreed upon forecast; (g) advise regarding the necessity for obtaining any applicable permits and governmental approvals to conduct the Sale; and (h) provide such other related services deemed necessary or appropriate as may be mutually agreed by Merchant and Agent.</p>						
<b>Term of Sale</b>	<p>The Sale Term shall be mutually agreed upon by the Parties. At the conclusion of the Sale, Agent shall surrender the premises for each Store to Merchant, as directed by Merchant, in accordance with Section B(i) of the Agency Agreement.</p> <p>Pursuant to the Agency Agreement, the Sale Commencement Date for the Initial Stores was January 29, 2026, and the Sale Termination Date shall be no later than April 30, 2026; <i>provided, however</i>, that the Parties may mutually agree in writing to extend or terminate the Sale at any Closing Store prior to the Sale Termination Date.</p>						
<b>Expenses of Agent</b>	<p>Merchant shall be responsible for all costs and expenses of the Sale, including (without limitation) all Closing Store-level operating expenses, all costs and expenses related to Merchant’s other retail store operations, Merchant’s distribution centers and warehouses, and Merchant’s corporate offices, and Agent’s reasonable, documented out of pocket expenses (collectively, “<u>Expenses</u>”); <i>provided</i> that, in no event will Agent’s expenses exceed the aggregate budget established by Merchant and Agent for certain delineated costs and expenses relating to the Sale (the “<u>Expense Budget</u>”).</p> <p>Merchant agrees to remit to an account designated by Agent the aggregate of approximately \$260,000 in advances related to Expense Budget amounts and anticipated fees that may become due to Agent pursuant to the Agency Agreement.</p>						
<b>Compensation for Agent</b>	<p>In consideration of its services under the Agency Agreement, Merchant shall pay Agent a base fee equal to two percent (2.0%) of the Gross Proceeds of Merchandise sold at the Closing Stores (the “<u>Merchandise Fee</u>”).</p> <p>In addition to the Merchandise Fee, Agent may also earn “Additional Incentive Compensation” equal to the aggregate sum of the percentages shown in the following table, based upon the following “Gross Recovery Percentages” (e.g., in each case, as calculated back to first dollar):</p> <table data-bbox="461 1570 1419 1759"> <tr> <th data-bbox="461 1570 792 1633">Gross Recovery Percentage</th><th data-bbox="792 1570 1419 1633">Additional Incentive Compensation</th></tr> <tr> <td data-bbox="461 1633 792 1696">155.5%-158%</td><td data-bbox="792 1633 1419 1696">An additional 0.25% of Specified Gross Proceeds (total fee equal to 2.25% of Specified Gross Proceeds)</td></tr> <tr> <td data-bbox="461 1696 792 1759">Above 158.0%</td><td data-bbox="792 1696 1419 1759">An additional 0.25% of Specified Gross Proceeds (total fee equal to 2.5% of Specified Gross Proceeds)</td></tr> </table>	Gross Recovery Percentage	Additional Incentive Compensation	155.5%-158%	An additional 0.25% of Specified Gross Proceeds (total fee equal to 2.25% of Specified Gross Proceeds)	Above 158.0%	An additional 0.25% of Specified Gross Proceeds (total fee equal to 2.5% of Specified Gross Proceeds)
Gross Recovery Percentage	Additional Incentive Compensation						
155.5%-158%	An additional 0.25% of Specified Gross Proceeds (total fee equal to 2.25% of Specified Gross Proceeds)						
Above 158.0%	An additional 0.25% of Specified Gross Proceeds (total fee equal to 2.5% of Specified Gross Proceeds)						
<b>Conduct of Sale; Other Sale Matters</b>	<p>During the Sale Term, Merchant shall: (a) be the employer of the Closing Stores’ employees, other than the Supervisors or any other representatives of Agent or the Supervisors; (b) pay all taxes, costs, expenses, accounts payable, and other liabilities</p>						

TERM	AGENCY AGREEMENT
	<p>relating to the Closing Stores, the Closing Stores' employees and other representatives of Merchant; (c) prepare and process all tax forms and other documentation; (d) collect all sales taxes and pay them to the appropriate taxing authorities for the Closing Stores; (e) use reasonable efforts to cause Merchant's employees to cooperate with Agent and the Supervisors; (f) execute all agreements determined by the Merchant and Agent to be necessary or desirable for the operation of the Closing Stores during the Sale; (g) arrange for the ordinary maintenance of all point-of-sale equipment required for the Closing Stores; (h) apply for and obtain, with Agent's assistance and support, all applicable permits and authorizations (including landlord approvals and consents) for the Sale; and (i) ensure that Agent has quiet use and enjoyment of the Closing Stores for the Sale Term in order to perform its obligations under the Agency Agreement.</p> <p>Agent shall have no liability to Merchant's employees for wages, benefits, severance pay, termination pay, vacation pay, pay in lieu of notice of termination or any other liability arising from Merchant's employment, hiring or retention of its employees, and such employees shall not be considered employees of Agent. Merchant shall have no liability to Agent's employees for wages, benefits, severance pay, termination pay, vacation pay, pay in lieu of notice of termination or any other liability arising from Agent's employment, hiring or retention of its employees, and such employees shall not be considered employees of Merchant.</p> <p>All sales of Merchandise shall be made on behalf of Merchant. Agent does not have, nor shall it have, any right, title or interest in the Merchandise. All sales of Merchandise shall be by cash, gift card, gift certificate, merchandise credit, debit card, or credit card and, at Merchant's discretion, by check or otherwise in accordance with Merchant's policies, and shall be "final" with no returns accepted or allowed, unless otherwise directed by Merchant.</p> <p>Agent shall sell the FF&amp;E in the Closing Stores from the Closing Stores and Merchant's corporate offices and distribution center(s). Merchant shall be responsible for all reasonable and documented costs and expenses incurred by Agent in connection with the sale of FF&amp;E, which costs and expenses shall be incurred pursuant to a budget, as may be modified from time to time by mutual agreement of the Merchant and Agent. Merchant and Agent shall have the right to abandon any unsold FF&amp;E.</p> <p>If mutually agreed to by the Merchant and Agent, the Agent may, at Agent's sole cost and expense, supplement the Merchandise in the Sale at the Closing Stores with additional goods procured by Agent which (a) are of like kind, (b) in the Merchant's sole discretion maintain the overall merchandising brand image of the Merchant, and (c) are of no lesser quality to the Merchandise in the Sale at the Closing Stores ("<u>Additional Agent Goods</u>"); provided, that the cost value of Additional Agent Goods shall not exceed 20% of the aggregate Cost Value of Merchandise in the Sale. The Agent shall purchase the Additional Agent Goods and deliver them to the Closing Stores at Agent's sole expense (including as to labor, freight and insurance relative to shipping such Additional Agent Goods to the Closing Stores). Additional Agent Goods shall be distinguished as non-Merchant goods at Closing Stores and in the sales process as well.</p> <p>Agent shall pay to Merchant an amount equal to six percent (6%) percent of the gross proceeds (excluding Sale Taxes) from the sale of the Additional Agent Goods (the "<u>Additional Agent Goods Fee</u>"), and Agent shall retain all remaining amounts from the sale of the Additional Agent Goods. Agent shall pay Merchant its Additional Agent Goods Fee in connection with each weekly sale reconciliation with respect to sales of Additional Agent Goods sold by Agent during each then prior week (or at such other mutually agreed upon time).</p>

TERM	AGENCY AGREEMENT
	<p>Agent and Merchant intend that the transactions relating to the Additional Agent Goods are, and shall be construed as, a true consignment from Agent to Merchant in all respects and not a consignment for security purposes. Subject solely to Agent's obligations to pay to Merchant the Additional Agent Goods Fee, at all times and for all purposes the Additional Agent Goods and their proceeds shall be the exclusive property of Agent, and no other person or entity shall have any claim against any of the Additional Agent Goods or their proceeds. The Additional Agent Goods shall at all times remain subject to the exclusive control of Agent.</p> <p>Merchant shall, at Agent's sole cost and expense, insure the Additional Agent Goods and, if required, promptly file any proofs of loss with regard to same with Merchant's insurers. Agent shall be responsible for payment of any deductible under any such insurance in the event of any casualty affecting the Additional Agent Goods.</p> <p>Merchant acknowledges, and the Approval Order shall provide, that the Additional Agent Goods shall be consigned to Merchant as a true consignment under Article 9 of the Uniform Commercial Code. Agent is hereby granted a first priority security interest in and lien upon (i) the Additional Agent Goods and (ii) the Additional Agent Goods proceeds <i>less</i> the Additional Agent Goods Fee, and which security interest shall be deemed perfected pursuant to the Approval Order without the requirement of filing UCC financing statements or providing notifications to any prior secured parties (provided that Agent is hereby authorized to deliver all required notices and file all necessary financing statements and amendments thereof under the applicable UCC identifying Agent's interest in the Additional Agent Goods as consigned goods thereunder and the Merchant as the consignee therefor, and Agent's security interest in and lien upon such Additional Agent Goods and Additional Agent Goods proceeds).</p> <p>Notwithstanding anything in the Agency Agreement to the contrary, "Merchandise" shall not include "Additional Agent Goods."</p>
<b>Insurance Obligations</b>	<p>Merchant shall maintain throughout the Sale Term, liability insurance policies covering injuries to persons and property in or in connection with the Closing Stores, and shall, to the extent reasonably practicable, cause Agent to be named an additional insured with respect to all such policies. In addition, Merchant shall maintain throughout the Sale Term, in such amounts as it currently has in effect, workers compensation insurance in compliance with all statutory requirements.</p> <p>Agent shall maintain throughout the Sale Term, liability insurance policies on an occurrence basis in an amount of at least two million dollars (\$2,000,000) and an aggregate basis of at least five million dollars (\$5,000,000) covering injuries to persons and property in or in connection with Agent's provision of services at the Closing Stores. In addition, Agent shall maintain throughout the Sale Term, workers compensation insurance in compliance with all statutory requirements. Further, should Agent employ or engage third parties to perform any of Agent's undertakings with regard to this Agreement, Agent will ensure that such third parties are covered by Agent's insurance or maintain all of the same insurance as Agent is required to maintain pursuant to this paragraph and name Merchant as an additional insured and loss payee under the policy for each such insurance.</p>
<b>Indemnification by Agent</b>	<p>Agent shall indemnify, defend and hold Merchant and its consultants, members, managers, partners, officers, directors, employees, attorneys, advisors, representatives, lenders, potential co-investors, principals, and affiliates (other than the Agent or the Agent Indemnified Parties) (collectively, "<u>Merchant Indemnified Parties</u>") harmless from and against all liabilities, claims, demands, damages, costs and expenses (including reasonable attorneys' fees) arising from or related to (a) the willful, negligent, or unlawful acts or</p>

TERM	AGENCY AGREEMENT
	<p>omissions of Agent or the Agent Indemnified Parties; (b) the breach of any provision of, or the failure to perform any obligation under, this Agreement by Agent or the Agent Indemnified Parties; (c) any liability or other claims made by Agent's Indemnified Parties or any other person (excluding Merchant Indemnified Parties) against a Merchant Indemnified Party arising out of or related to Agent's conduct of the Sale, except claims arising from Merchant's negligence, willful misconduct, or unlawful behavior; (d) any harassment, discrimination or violation of any laws or regulations or any other unlawful, tortious or otherwise actionable treatment of Merchant Indemnified Parties, or Merchant's customers by Agent or any of the Agent Indemnified Parties and (e) any claims made by any party engaged by Agent as an employee, agent, representative or independent contractor arising out of such engagement, including, without limitation, the Supervisors.</p>
<b>Indemnification by Merchant</b>	<p>Merchant shall indemnify, defend, and hold Agent and its consultants, members, managers, partners, officers, directors, employees, attorneys, advisors, representatives, lenders, potential co-investors, principals, affiliates, and Supervisors (collectively, "<u>Agent Indemnified Parties</u>") harmless from and against all liabilities, claims, demands, damages, costs and expenses (including reasonable attorneys' fees) arising from or related to: (a) the willful or negligent acts or omissions of Merchant or the Merchant Indemnified Parties (as defined below); (b) the material breach of any provision of this Agreement by Merchant; (c) any product liability claims, claims asserted by customers, or claims asserted by any Store employees (under a collective bargaining agreement or otherwise) against Agent or an Agent Indemnified Party, except claims arising from Agent's negligence, willful misconduct or unlawful behavior; (d) any harassment, discrimination or violation of any laws or regulations or any other unlawful, tortious or otherwise actionable treatment of Agent's Indemnified Parties or Merchant's customers by Merchant or Merchant's Indemnified Parties; and (e) Merchant's failure to pay over to the appropriate taxing authority any taxes required to be paid by Merchant during the Sale Term in accordance with applicable law.</p>
<b>Agent Syndication Rights</b>	<p>Agent shall have the right to syndicate the transaction contemplated by the Agency Agreement by providing Merchant with written notice of such syndication.</p> <p>To maximize the value of the Store Closure Assets, the Agent may determine that it will syndicate and partner with additional entities to serve as consultants (the "<u>Additional Consultants</u>").</p>

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS Court File No: CV-26-00000050-0000  
AMENDED**

**AND IN THE MATTER OF EDDIE BAUER LLC, ET AL.**

**APPLICATION OF EDDIE BAUER LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS  
AMENDED**

**Applicant**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceedings commenced in Toronto**

**PRE-FILING REPORT OF THE PROPOSED  
INFORMATION OFFICER**

**BENNETT JONES LLP**

3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

Sean Zweig (LSO# 57307I)  
Tel: 416.777.6254  
Email: [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com)

Mike Shakra (LSO# 64604K)  
Tel: 416.777.6236  
Email: [shakram@bennettjones.com](mailto:shakram@bennettjones.com)

Joshua Foster (LSO# 79447K)  
Tel: 416.777.7906  
Email: [fosterj@bennettjones.com](mailto:fosterj@bennettjones.com)

Lawyers for KSV Restructuring Inc., solely in its capacity as the proposed Information Officer of Eddie Bauer LLC, Eddie Bauer Gift Card Services LLC, SPARC EB Holdings LLC, 13051269 Canada Inc. and Eddie Bauer of Canada Corporation, and not in its personal or corporate capacity