

ESTATE FILE NO.: 31-3401105

**IN THE MATTER OF THE BANKRUPTCY OF
EDDIE BAUER OF CANADA CORPORATION,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**TRUSTEE'S REPORT TO CREDITORS ON
PRELIMINARY ADMINISTRATION**

AUGUST 10, 2026

1.0 Introduction

1. This report (this "**Report**") is filed by AlixPartners Restructuring, Inc. ("**AlixPartners**") in its capacity as Licensed Insolvency Trustee (in such capacity, the "**Trustee**") of Eddie Bauer of Canada Corporation (the "**Company**").
2. On February 9, 2026 (the "**Petition Date**"), the Company, 13051269 Canada Inc. ("**130**", and together with the Company, 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 EB LLC, the "**Chapter 11 Debtors**") 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**").
3. 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 their respective property, business and directors and officers.

4. The Chapter 11 Proceedings and the recognition proceedings under Part IV of the CCAA (the "**Recognition Proceedings**") were commenced to create a stabilized environment in which the Chapter 11 Debtors could pursue, with the unanimous support of their prepetition lenders, a plan of reorganization contemplating one or more sales of the Chapter 11 Debtors' assets (each, a "**Sale Transaction**") and an orderly wind-down of the Chapter 11 Debtors' brick-and-mortar retail operations not sold in a Sale Transaction. To obtain certain of the relief necessary to preserve their business and facilitate such 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**").
5. Following a hearing of the First Day Motions on February 10, 2026, the U.S. Court entered various orders, including, among others, the Foreign Representative Order (collectively, the "**First Day Orders**"). The Foreign Representative Order authorized EB LLC to act as the foreign representative of the Chapter 11 Debtors in the Chapter 11 Proceedings (in such capacity, the "**Foreign Representative**").
6. Pursuant to orders (together, the "**Recognition Orders**") of the Court made on February 18, 2026, the Chapter 11 Proceedings and certain of the First Day Orders were recognized under the CCAA, and EB LLC was recognized as the "foreign representative" of the Chapter 11 Debtors and AlixPartners (formerly KSV Restructuring Inc.¹) appointed as the information officer (the "**Information Officer**"). The principal purpose of the Recognition Proceedings was to provide the Chapter 11 Debtors with protection and establish a framework for the administration of their Canadian assets and operations. Key features of the Recognition Orders included a stay of proceedings in favour of the Chapter 11 Debtors, their property and business, and their directors and officers, as well as the granting of charges on the property of the Canadian Debtors.
7. On March 3 and 16, 2026, as applicable, the U.S. Court entered various second day and other orders in the Chapter 11 Proceedings (collectively, the "**Second Day Orders**"), including, among others, the Final Store Closing Order, the Bar Date Order and the Disclosure Statement Order (collectively, the "**Second Day Orders**"). The Second Day Orders were recognized and enforced in the Recognition Proceedings pursuant to an order of the Court issued on March 20, 2026.

¹ Effective June 1, 2026, AlixPartners Restructuring, Inc. was substituted in place of KSV Restructuring Inc. as Court Officer in these proceedings pursuant to an order dated June 3, 2026 issued by the Court. The professionals involved in this mandate remain unchanged.

8. Following hearings on March 27, 2026, April 13 and 16, 2026, respectively, the U.S. Court entered the following orders (collectively, the "**Third Day Orders**"): i) the Final Cash Collateral Order, the De Minimis Asset Transactions Order, the De Minimis Claims Order and the BRG Retention Order; ii) the First Rejection Order; and iii) the Confirmation Order, Final Cash Management Order and the Omnibus Claims Objection Procedures Order.
9. Pursuant to an order of the Court issued on April 30, 2026 (the "**Third Recognition Order**"), the Third Day Orders were recognized and the Court authorized implementation of the Chapter 11 Debtors' Plan. The Third Recognition Order also directed the Foreign Representative and the Information Officer to provide notice of the Effective Date, approved all releases and injunctions contained in the Plan, and authorized the Plan Administrator to bring a motion to terminate the Recognition Proceedings at an appropriate time following the Effective Date.
10. The Effective Date occurred on May 6, 2026. The Foreign Representative delivered the Effective Date notice to the Information Officer on May 7, 2026, and the Information Officer filed the Effective Date Certificate and served it on the service list in the Recognition Proceedings on that same date.
11. The Court issued an order on June 11, 2026 (the "**CCAA Termination Order**"), which, among other things: i) provided for the termination of the Recognition Proceedings under the CCAA upon the Information Officer's service of the Termination Certificate; (ii) approved the activities, conduct, and reports to the Court of the Information Officer (collectively, the "**Information Officer's Reports**"); (iii) authorized the assignment of the Company into bankruptcy under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"); and (iv) approved the fees and disbursements of the Information Officer and the Information Officer's counsel. The Information Officer served the Termination Certificate on August 7, 2026.
12. On July 22, 2026 (the "**Bankruptcy Date**"), the Information Officer filed an assignment in bankruptcy for the Company pursuant to the BIA. AlixPartners was appointed the Trustee of the Company's bankrupt estate subject to affirmation of the Trustee's appointment at the first meeting of creditors scheduled to be held on August 12, 2026.

1.1 Currency

1. All currency references in this Report are to Canadian dollars unless otherwise noted.

1.2 Restrictions

1. In conducting its review and preparing this Report, the Trustee has relied upon financial and other information provided by the Company.
2. The Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Trustee expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information contained in this Report should perform its own diligence.

2.0 Background

1. As of the Petition Date, the Chapter 11 Debtors consisted of SPARC Holdings and its four direct and indirect subsidiaries. SPARC Holdings, EB LLC and EB Gift Card are limited liability companies formed under the laws of Delaware or Ohio, as applicable. The remaining Chapter 11 Debtors, 130 and the Company, its wholly owned subsidiary, are corporations formed under the laws of Canada. 130 is a holding company while the Company was, as of the Petition Date, the Canadian operating entity.
2. The Chapter 11 Debtors were founded in 1920 in Seattle, Washington, as a sporting goods and outdoor equipment store. Following a series of ownership changes and financial restructurings, the Chapter 11 Debtors' 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 certain non-Chapter 11 Debtor 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, pursuant to which the Chapter 11 Debtors 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.
3. Since SPARC's acquisition in January 2025 by Penney Holdings LLC, the parent company of JCPenney, the Chapter 11 Debtors, along with several other American retail brands, were owned and operated under the trade name of Catalyst Brands. The Chapter 11 Debtors sold products through their 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. 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.

4. As of the Petition Date: (i) the Chapter 11 Debtors operated 175 brick-and-mortar retail stores in North America, with 151 located in the United States and 24 located in Canada; and (ii) the Company's brick-and-mortar retail stores in Canada were located across six provinces (with the largest portion being in Ontario) and leased pursuant to lease agreements with 13 unique landlords.
5. Approximately 379 of the Chapter 11 Debtors' 2,200 employees as of the Petition Date were employed by the Company, including 182 in Ontario. None of the Chapter 11 Debtors' employees were unionized or benefited from any pension plan as of the Petition Date.
6. Further information regarding the Recognition Proceedings, including the Information Officer's Reports filed therein, and the bankruptcy proceedings is available on the Trustee's website (the "**Case Website**") at: <https://www.ksvadvisory.com/experience/case/eddiebauer>. Capitalized terms used and not otherwise defined in this Report have the respective meanings ascribed to them in the Information Officer's Reports.

3.0 The Chapter 11 Proceedings

3.1 Store Closures

1. The Chapter 11 Debtors proceeded with store closing sales of their retail locations in accordance with the Interim Store Closing Order and Final Store Closing Order granted by the U.S. Court and recognized by the Court. Together, the Interim Store Closing Order and Final Store Closing Order authorized the conduct of store closing sales at all retail store locations listed in the U.S. Court's orders, including all Canadian retail locations, to be conducted free and clear of all liens and encumbrances. All the Canadian Debtors' brick-and-mortar retail stores were subsequently closed and liquidated in accordance with the store closing sale procedures.
2. On April 13, 2026, the U.S. Court approved rejection of all executory contracts and unexpired leases associated with the Canadian closing stores and other locations where store closing sales had been completed or substantially completed. All store closing sales and the physical wind-down of such closing stores were completed by April 30, 2026.

3.2 The Plan

1. As referenced above, the U.S. Court entered the Confirmation Order on April 16, 2026, among other things, confirming the Plan. The Plan was formulated with the support of the Chapter 11 Debtors' secured lenders and the Official Committee of Unsecured Creditors (the "**UCC**").
2. The Plan provides for an orderly wind-down of the Chapter 11 Debtors' operations, with distributions being made from cash on hand, proceeds from ordinary course operations and proceeds of the store closing sales.

3.3 Treatment of Claims and Creditors

1. The Plan provides for the treatment of all claims against the Chapter 11 Debtors, including claims by all creditors, whether secured, unsecured or otherwise. Creditors were entitled to file proofs of claim in the Chapter 11 Proceedings by the bar date established in the Bar Date Order. Creditors with allowed claims (i.e., claims that were accepted as valid obligations of the Chapter 11 Debtors) are to receive distributions in accordance with the treatment specified in the Plan, which prioritizes payment of administrative claims (costs and expenses of administering the case), other secured claims (claims secured by the liens on the Chapter 11 Debtors' assets), and priority claims (wage and certain tax claims entitled to priority under the Bankruptcy Code), in full, with remaining proceeds distributed pro rata to holders of general unsecured claims (claims not secured by collateral and not entitled to priority) through an unsecured creditors trust established pursuant to the Plan and administered by a trustee selected by the UCC for the benefit of holders of general unsecured claims.

4.0 Bankruptcy Estate

4.1 Assets

1. All the Chapter 11 Debtors' brick-and-mortar retail locations, including the 24 Canadian stores, were closed and liquidated through store closing sales that were completed by April 30, 2026.
2. The proceeds generated from the Canadian Debtors' inventory and the sale of other assets were applied to satisfy claims in accordance with the Plan.
3. All leases associated with the Chapter 11 Debtors' retail locations, including all Canadian leases, were rejected effective April 13, 2026. As a result, the Company has no business operations or remaining assets.

5.0 Creditors

5.1 Secured Creditors

1. The Company has no known secured creditors.

5.2 Unsecured Creditors

1. Based on the claims filed by the Company's creditors in the Chapter 11 Proceedings, the claims of unsecured creditors as at the Bankruptcy Date are estimated to total approximately \$4.3 million.
2. The Company terminated all its employees in Canada other than those retained to complete the wind-down transactions (the "**Wind-Down Transactions**") during the Recognition Proceedings. The completion of the Wind-Down Transactions resulted in the termination of approximately 379 employees.

3. As a result of the Company's assignment into bankruptcy, employees terminated during the Recognition Proceedings may be eligible to make claims under the *Wage Earner Protection Program Act*, S.C. 2005, c. 47 s. 1, as amended ("**WEPPA**"). The Trustee will assist the Company's eligible former employees to file claims with Service Canada to receive distributions under WEPPA.

6.0 Books and Records

1. The Trustee has taken possession of the books, records and data it requires to complete its duties and obligations under the BIA, including bank statements for the year preceding the date of bankruptcy.

7.0 Preferences and Transfers at Undervalue

1. Pursuant to the BIA, the Trustee is required to conduct a review for preferences and transfers at undervalue by examining the Company's bank statements and accounting records of the year preceding the date of bankruptcy. The Trustee will report on its findings to the inspector(s) appointed in the estate.

8.0 Anticipated Realization and Projected Distribution

1. As the Company has no remaining assets, the Trustee does not expect any funds to be available for distribution to unsecured creditors, other than any distributions that may be made to former employees pursuant to WEPPA or the Plan.

9.0 Trustee's Fees

1. The Trustee's fees and disbursements, including those of its counsel, in connection with the Company's bankruptcy proceedings have been funded through a retainer paid by the Plan Administrator on behalf of the Company in accordance with the CCAA Termination Order. The retainer is being held by the Trustee in a separate trust account.

10.0 Other Matters

1. The Trustee is not aware of any other matters affecting the administration of the bankrupt estate.

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Dated at Toronto, Ontario, this 10th day of August, 2026

AlixPartners Restructuring, Inc.

**ALIXPARTNERS RESTRUCTURING, INC.,
SOLELY IN ITS CAPACITY AS LICENSED INSOLVENCY TRUSTEE OF
EDDIE BAUER OF CANADA CORPORATION
AND NOT IN ITS PERSONAL CAPACITY OR CORPORATE CAPACITY**