

Court File No. CV-23-00695619-00CL

**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 A PLAN OF COMPROMISE OR
ARRANGEMENT OF NORDSTROM CANADA RETAIL, INC.,
NORDSTROM CANADA HOLDINGS, LLC AND
NORDSTROM CANADA HOLDINGS II, LLC**

**ELEVENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

DECEMBER 4, 2024

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Appendix “A” - Tenth Report of the Monitor dated June 19, 2024 (without appendices)

1.0 INTRODUCTION

- 1.1 On March 2, 2023, Nordstrom Canada Retail, Inc. (“**NCRI**”), Nordstrom Canada Holdings, LLC and Nordstrom Canada Holdings II, LLC (together the “**Applicants**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to Nordstrom Canada Leasing LP (together with the Applicants, the “**Nordstrom Canada Entities**”).
- 1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed as monitor of the Nordstrom Canada Entities (in such capacity, the “**Monitor**”) in these CCAA proceedings (the “**CCAA Proceedings**”).
- 1.3 On March 10, 2023, the Court granted an Amended and Restated Initial Order (the “**ARIO**”) which modified the Initial Order in certain respects.
- 1.4 On December 20, 2023, the Court granted an Order (the “**Meeting Order**”): (a) accepting the filing of the Consolidated Plan of Compromise and Arrangement in respect of the Nordstrom Canada Entities dated December 13, 2023 (the “**Plan**”); (b) authorizing the Nordstrom Canada Entities to establish one class of Affected Creditors (as defined in the Meeting Order) for the purpose of considering and voting on the Plan; (c) authorizing the Nordstrom Canada Entities to call, hold and conduct a virtual meeting of the Affected Creditors (the “**Creditors’ Meeting**”) to consider and vote on a resolution to approve the Plan, and approving the procedures to be followed with respect to the calling and conduct of the Creditors’ Meeting; (d) setting March 19, 2024 at 9:00 a.m. (Toronto time) as the

date and time for the hearing of the Nordstrom Canada Entities' motion seeking an Order (the "**Sanction and Vesting Order**") sanctioning the Plan, should the Plan be approved by the required majority of Affected Creditors at the Creditors' Meeting; and (e) extending the Stay Period (as defined in the ARIO) until and including April 5, 2024.

1.5 The Creditors' Meeting was held virtually on March 1, 2024. As described in the Ninth Report of the Monitor dated March 6, 2024, the vote in favour of the Plan was unanimous (there were no votes against the Plan). Accordingly, the required majority under section 6(1) of the CCAA was achieved.

1.6 On March 19, 2024, the Court granted the Sanction and Vesting Order, which among other things, ordered that:

- (a) the Plan and all associated steps, compromises, transactions, arrangements, releases, discharges and injunctions are sanctioned, approved, binding and effective on the Nordstrom Canada Entities, Nordstrom, Inc. (the "**Plan Sponsor**"), all Affected Creditors, the Released Parties and all other persons affected by the Plan as of the Effective Time;
- (b) the Nordstrom Canada Entities and the Monitor are authorized and directed to take all steps and actions necessary or appropriate to implement the Plan in accordance with its terms;
- (c) upon receipt of written notice from the Nordstrom Canada Entities of fulfillment or waiver of the conditions precedent to the implementation of the Plan, the Monitor shall confirm the occurrence of the Plan Implementation Date by delivering the

Monitor's Plan Implementation Date Certificate to the Nordstrom Canada Entities and serving a copy on the Service List;

- (d) NCRI, for itself and as nominee for the other Nordstrom Canada Entities, is authorized and directed to fund the Administrative Reserve and the Disputed Claims Reserve; and
- (e) the Nordstrom Canada Entities, with the consent of the Monitor, are authorized to retain a third-party payment agent to assist with and facilitate any distributions or payments to be made under the Plan.

1.7 As described in the Tenth Report of the Monitor dated June 19, 2024 (the "**Tenth Report**"), attached hereto (without appendices) as **Appendix "A"**:

- (a) on April 25, 2024, the Plan Implementation Date occurred and the Monitor then caused the Plan Implementation Date Certificate to be served on the Service List, posted on the Monitor's Website and filed with the Court;
- (b) in accordance with the Plan and the Sanction and Vesting Order, on or before the Plan Implementation Date, the Nordstrom Canada Entities transferred funds into the Consolidated Cash Pool Account, the Disputed Claims Reserve Account, and the Administrative Reserve Account, as described in greater detail below; and
- (c) the Nordstrom Canada Entities made an initial distribution under the Plan on May 15, 2024, pursuant to which distributions totalling approximately \$139.0 million were made to Unaffected Creditors and Affected Creditors. Each Affected Creditor with a Proven Claim received an initial distribution of approximately 72.3% of such

Affected Creditor's Proven Claim (other than Convenience Class Creditors and Supporting Rack Landlords, who received the full amount of their respective distributions in accordance with the Plan).

- 1.8 On June 26, 2024, the Court granted the Order (Extending the Stay Period), which: (a) extended the Stay Period to December 20, 2024; and (b) approved the fees and disbursements of the Monitor and its counsel, and the reports of the Monitor and its activities described therein.
- 1.9 The Court has also granted a number of other orders in these CCAA Proceedings. Those orders, the prior reports of the Monitor and other Court-filed documents and notices are available on the Monitor's case website at www.alvarezandmarsal.com/NordstromCanada (the "**Monitor's Website**").
- 1.10 The purpose of this report (the "**Eleventh Report**") is to provide the Court with information concerning, and where applicable the Monitor's views on, the following:
- (a) an update on the balances held in the Consolidated Cash Pool, the Administrative Reserve, the NCL ITC Cash Pool and the Disputed Claims Reserve bank accounts;
 - (b) an update on estimated further recoveries for Affected Creditors under the Plan and the anticipated timing for further distribution(s) to Affected Creditors; and
 - (c) the Nordstrom Canada Entities' motion for an Order (the "**Stay Extension Order**") extending the Stay Period to June 30, 2025.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Eleventh Report, the Monitor has been provided with, and has relied upon, unaudited financial information and books and records prepared or provided by Nordstrom US and its affiliates, including the Nordstrom Canada Entities (collectively, the “**Nordstrom Group**”), and has held discussions with management of the Nordstrom Group and the Nordstrom Canada Entities’ legal counsel (collectively, the “**Information**”). Except as otherwise described in this Eleventh Report:

- (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (the “**CAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “**CPA Handbook**”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information; and
- (b) some of the information referred to in this Eleventh Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

2.2 Future oriented financial information referred to in this Eleventh Report was prepared based on the estimates and assumptions of the Nordstrom Group. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that

are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

2.3 This Eleventh Report should be read in conjunction with the affidavit of Misti Heckel, President of Nordstrom Canada, President and Treasurer of Nordstrom Canada Holdings, LLC and Nordstrom Canada Holdings II, LLC, and Vice President – Tax of Nordstrom US, sworn on December 2, 2024 (the “**Tenth Heckel Affidavit**”). Capitalized terms used and not defined in this Eleventh Report have the meanings given to them in the ARIO, the Plan or the Tenth Heckel Affidavit, as applicable.

2.4 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

3.0 UPDATE ON THE CONSOLIDATED CASH POOL AND THE CASH RESERVES

3.1 As described in the Tenth Report, in accordance with the Plan and the Sanction and Vesting Order, on or before the Plan Implementation Date, the Nordstrom Canada Entities transferred: (a) approximately \$138.1 million into the Consolidated Cash Pool Account; (b) approximately \$6.2 million into the Disputed Claims Reserve Account; and (c) approximately \$5.6 million into the Administrative Reserve Account. The transfers to and from these accounts since the Plan Implementation Date and their balances as of November 29, 2024 are summarized in the table below.

(\$CAD 000's)	Consolidated Cash Pool	Disputed Claims Reserve	Administrative Reserve	NCL ITC Cash Pool	Total
Balance on Plan Implementation Date	138,063	6,176	5,625	-	149,864
Disputed Claim Transfers	703	(703)	-	-	-
Interest Earned	283	-	132	-	415
Initial Distributions	(139,039)	-	(334)	-	(139,373)
Balance - June 19, 2024	11	5,473	5,423	-	10,906
Disputed Claim Transfers	229	(229)	-	-	-
Distribution on Resolved Disputed Claims	(174)	-	-	-	(174)
Post-Initial Distribution Receipts & Disbursements	2,102	-	(740)	25	1,387
Balance - November 29, 2024	2,168	5,244	4,683	25	12,120

3.2 The changes to the cash pool and reserve accounts since the Tenth Report filed on June 19, 2024 are summarized as follows:

- (a) *Consolidated Cash Pool:* The cash balance has increased by approximately \$2.1 million primarily due to: (a) the return of approximately \$1.3 million from a customs bond; (b) the receipt of approximately \$490,000 of refunds for certain insurance and benefit policies; (c) the receipt of approximately \$294,000 of lease withholding tax refunds; and (d) the transfer of a net amount of \$55,000 to the Consolidated Cash Pool as a result of the resolution of previously Disputed Claims (approximately \$229,000 was transferred to the Consolidated Cash Pool, of which approximately \$174,000 was distributed to the holders of such previously Disputed Claims);
- (b) *Disputed Claims Reserve:* The cash balance has decreased by approximately \$229,000 as a result of the resolution of previously Disputed Claims and the transfer of corresponding amounts to the Consolidated Cash Pool. The remaining balance of the Disputed Claims Reserve reflects amounts reserved in respect of a limited number of remaining unresolved Claims, the most material of which is the Pre-Filing Claim (the “**CRA Marker Claim**”) filed by the Canada Revenue Agency (the “**CRA**”);

- (c) *Administrative Reserve:* The cash balance has decreased by approximately \$739,000 primarily due to disbursements for professional fees, shared services and Post-Filing Tax Claims, and payments to Kroll Restructuring Administrative LLC, in its capacity as distribution agent under the Plan, for the processing and facilitation of distributions to Affected Creditors under the Plan; and
- (d) *NCL ITC Cash Pool:* The balance of the NCL ITC Cash Pool has fluctuated as amounts have been received from the CRA relating to input tax credits (“ITCs”), which are typically paid by the CRA in batched payments reflecting ITCs generated from more than one source activity. The Plan Sponsor ITCs, being the ITCs generated as a result of the payment by the Plan Sponsor of amounts required to be paid under the FLS Landlord Settlement Agreements, have been paid from the NCL ITC Cash Pool to the Plan Sponsor in accordance with the Plan. The Nordstrom Canada Entities, in consultation with the Monitor, are working to reconcile the remaining balance of the NCL ITC Cash Pool (which is approximately \$25,000) to apportion ITCs between their various sources.

3.3 The Monitor has prepared an updated illustrative range of estimated additional recoveries under the Plan based on information available as of November 29, 2024 (the “**Illustrative Additional Recoveries Analysis**”), which is summarized in the table below. The Illustrative Additional Recoveries Analysis has been prepared based on the terms of the Plan and the status of the Claims Process as of November 29, 2024. The Monitor notes that the projected recoveries set forth in the Illustrative Additional Recoveries Analysis are subject to change based on a number of factors, including: (a) the resolution of unresolved claims in the Claims Process, including the CRA Marker Claim; (b) the reconciliation of

ITCs and withholding tax refunds, which is an ongoing process between the Nordstrom Canada Entities and the CRA, with the oversight of the Monitor; and (c) the aggregate amounts transferred from the Administrative Reserve to the Consolidated Cash Pool.

<i>Estimated Additional Recoveries</i>		
<i>\$CAD 000s</i>	Low	High
Consolidated Cash Pool Balance (as of November 29, 2024)	2,168	2,168
Estimated Transfer From Administrative Reserve	2,500	3,500
Transfer From Disputed Claims Reserve	5,244	5,244
Unclaimed Distributions (<i>currently held by Kroll</i>)	50	100
Estimated ITC and Withholding Tax Refunds	1,450	2,910
Estimated Distributable Cash	A	11,412
Estimated Proven Claims		
Proven Claims (as of November 29, 2024) ¹	175,332	175,332
Estimated Additional Proven Claims	3,500	1,000
Total Estimated Proven Claims	B	178,832
Estimated Additional Recovery %	A / B	6.4%
		7.9%

1. Includes intercompany claims and excludes Other Priority Claims, Claims of Convenience Class Creditors and Claims of Supporting Rack Landlords as the respective claimants received distributions as part of the Initial Distribution.

- 3.4 Based on the Illustrative Additional Recoveries Analysis (and subject to the qualifications noted in paragraph 3.3 above), the Monitor now estimates that Affected Creditors with Proven Claims (excluding Claims of Convenience Class Creditors and Supporting Rack Landlords) will ultimately receive aggregate distributions under the Plan in the range of approximately 78% to 80% (as compared to an estimated range of 72% to 75% provided in the Eighth Report of the Monitor).
- 3.5 As described in the Tenth Heckel Affidavit, the Nordstrom Canada Entities intend to make a further distribution to Affected Creditors in the first quarter of 2025. The quantum and timing of that distribution, including whether it will be an interim distribution or the final distribution for purposes of the Plan, are primarily dependent on: (a) the resolution of the

CRA Marker Claim; (b) the CRA's completion of its ITC and withholding tax audits and the receipt of related refunds by the Nordstrom Canada Entities; and (c) achieving a settlement with the CRA and the Department of Justice with respect to a process to expedite the "cycling" of ITC payments and refunds by NCL. The Nordstrom Canada Entities, the CRA and the Department of Justice, with the oversight of the Monitor, have been actively engaged in working to resolve the above matters.

- 3.6 In the Monitor's view, the most efficient and cost-effective approach would be to make one additional distribution (which would be the final distribution for purposes of the Plan) once all matters between the Nordstrom Canada Entities and the CRA are resolved. However, if all matters with the CRA cannot be resolved in the first quarter of 2025, the Nordstrom Canada Entities, with the support of the Monitor, intend to proceed with an interim distribution to Affected Creditors.

4.0 EXTENSION OF THE STAY PERIOD

- 4.1 The current Stay Period extends to December 20, 2024. The Nordstrom Canada Entities are seeking an extension of the Stay Period to and including June 30, 2025.
- 4.2 The Monitor supports an extension of the Stay Period to June 30, 2025 to provide stability while the Nordstrom Canada Entities, with the assistance of the Monitor, continue to administer the implementation of the Plan, resolve the limited number of remaining claims in the Claims Process, make one or more additional distributions to Affected Creditors with Proven Claims, and take other steps and actions in connection with the completion of the orderly wind-down of the Nordstrom Canada Entities.

- 4.3 The Monitor is of the view that the Nordstrom Canada Entities have acted, and continue to act, in good faith and with due diligence to advance the CCAA Proceedings, and that no party will suffer material prejudice as a result of the extension of the Stay Period.
- 4.4 Pursuant to the Plan, the Nordstrom Canada Entities continue to hold the Administrative Reserve for the purpose of paying Administrative Reserve Costs arising following the Plan Implementation Date. As of the date of this Eleventh Report, the balance of the Administrative Reserve is approximately \$4.7 million. The balance in the Administrative Reserve will enable a material transfer to the Consolidated Cash Pool in connection with the next distribution to Affected Creditors and provide sufficient cash resources for the Nordstrom Canada Entities to continue their wind-down through June 30, 2025.
- 4.5 The Nordstrom Canada Entities are not seeking a further extension of the Co-Tenancy Stay in the Initial Order. The Monitor believes the termination of the Co-Tenancy Stay is appropriate in light of the advanced stage of these CCAA Proceedings and the comprehensive resolution of all claims between the Nordstrom Canada Entities and its former landlords through the Claims Process.
- 4.6 All of which is respectfully submitted to the Court this 4th day of December, 2024.

**Alvarez & Marsal Canada Inc., in its capacity as Monitor of
Nordstrom Canada Retail, Inc.,
Nordstrom Canada Holdings, LLC,
Nordstrom Canada Holdings II, LLC, and
Nordstrom Canada Leasing LP,
and not in its personal or corporate capacity**

Per: _____



Alan Hutchens

Senior Vice-President

APPENDIX A
TENTH REPORT OF THE MONITOR (WITHOUT APPENDICES)

Court File No. CV-23-00695619-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE *COMPANIES' CREDITORS*
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**TENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

JUNE 19, 2024

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- A. Affidavit of Alan J. Hutchens sworn June 19, 2024
- B. Affidavit of Brendan O'Neill sworn June 19, 2024

1.0 INTRODUCTION

- 1.1 On March 2, 2023, Nordstrom Canada Retail, Inc. (“**NCRI**”), Nordstrom Canada Holdings, LLC and Nordstrom Canada Holdings II, LLC (together the “**Applicants**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to Nordstrom Canada Leasing LP (together with the Applicants, the “**Nordstrom Canada Entities**”).
- 1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as monitor of the Nordstrom Canada Entities (in such capacity, the “**Monitor**”) in these CCAA proceedings (the “**CCAA Proceedings**”).
- 1.3 On March 10, 2023, the Court granted an Amended and Restated Initial Order (the “**ARIO**”) which modified the Initial Order in certain respects.
- 1.4 On December 20, 2023, the Court granted an Order (the “**Meeting Order**”): (a) accepting the filing of the Consolidated Plan of Compromise and Arrangement in respect of the Nordstrom Canada Entities dated December 13, 2023 (the “**Plan**”); (b) authorizing the Nordstrom Canada Entities to establish one class of Affected Creditors (as defined in the Meeting Order) for the purpose of considering and voting on the Plan; (c) authorizing the Nordstrom Canada Entities to call, hold and conduct a virtual meeting of the Affected Creditors (the “**Creditors’ Meeting**”) to consider and vote on a resolution to approve the Plan, and approving the procedures to be followed with respect to the calling and conduct of the Creditors’ Meeting; (d) setting March 19, 2024 at 9:00 a.m. (Toronto time) as the

date and time for the hearing of the Nordstrom Canada Entities' motion seeking an Order (the "**Sanction and Vesting Order**") sanctioning the Plan, should the Plan be approved by the required majority of Affected Creditors at the Creditors' Meeting; and (e) extending the Stay Period (as defined in the ARIO) until and including April 5, 2024.

1.5 The Creditors' Meeting was held virtually, as scheduled, on March 1, 2024 at 10:00 a.m. (Toronto time). As described in the Ninth Report of the Monitor, the vote in favour of the Plan was unanimous (there were no votes against the Plan), with 515 Affected Creditors representing approximately \$33.8 million of Claims voting (or being deemed to have voted pursuant to the Meeting Order) in favour of the Plan. Accordingly, the Required Majority was achieved.

1.6 On March 19, 2024, the Court granted the Sanction and Vesting Order, which among other things, ordered that:

- (a) the Plan and all associated steps, compromises, transactions, arrangements, releases, discharges and injunctions are sanctioned, approved, binding and effective on the Nordstrom Canada Entities, the Plan Sponsor, all Affected Creditors, the Released Parties and all other persons affected by the Plan as of the Effective Time;
- (b) the Nordstrom Canada Entities and the Monitor are authorized and directed to take all steps and actions necessary or appropriate to implement the Plan in accordance with its terms;
- (c) upon receipt of written notice from the Nordstrom Canada Entities of the fulfillment or waiver of the conditions precedent to the implementation of the Plan, the Monitor

shall confirm the occurrence of the Plan Implementation Date by delivering the Monitor's Plan Implementation Certificate to the Nordstrom Canada Entities and serving a copy on the Service List;

- (d) NCRI, for itself and as nominee for the other Nordstrom Canada Entities, is authorized and directed to fund the Administrative Reserve and the Disputed Claims Reserve; and
- (e) the Nordstrom Canada Entities, with the consent of the Monitor, shall be authorized to retain a third-party payment agent to assist with and facilitate any distributions or payments to be made under the Plan.

1.7 The Court has also granted a number of other orders in these CCAA Proceedings. Those orders, the prior reports of the Monitor and other Court-filed documents and notices are available on the Monitor's case website at www.alvarezandmarsal.com/NordstromCanada (the "**Monitor's Website**").

1.8 The purpose of this report (the "**Tenth Report**") is to provide the Court with information concerning, and where applicable the Monitor's views on, the following:

- (a) the implementation of the Plan on the Plan Implementation Date (April 25, 2024);
- (b) the establishment of the bank accounts to hold the funds in the Consolidated Cash Pool, the Administrative Reserve, and the Disputed Claims Reserve;
- (c) the completion of the initial distribution to creditors of the Nordstrom Canada Entities (the "**Initial Distribution**") on May 15, 2024;

- (d) an update on the remaining Disputed Claims and the Disputed Claims Reserve; and
- (e) the Nordstrom Canada Entities' motion for an Order (the "**Stay Extension Order**"): (i) extending the Stay Period to December 20, 2024; and (ii) approving the fees and disbursements of the Monitor and its counsel, and the reports of the Monitor and its activities described therein.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Tenth Report, the Monitor has been provided with, and has relied upon, unaudited financial information and books and records prepared or provided by Nordstrom US and its affiliates, including the Nordstrom Canada Entities (collectively, the "**Nordstrom Group**"), and has held discussions with management of the Nordstrom Group and the Nordstrom Canada Entities' legal counsel (collectively, the "**Information**"). Except as otherwise described in this Tenth Report:

- (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (the "**CAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* (the "CPA Handbook") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information; and

(b) some of the information referred to in this Tenth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

2.2 Future oriented financial information referred to in this Tenth Report was prepared based on the estimates and assumptions of the Nordstrom Group. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

2.3 This Tenth Report should be read in conjunction with the affidavit of Misti Heckel, President of Nordstrom Canada, President and Treasurer of Nordstrom Canada Holdings, LLC and Nordstrom Canada Holdings II, LLC, and Vice President – Tax of Nordstrom US, sworn on June 19, 2024 (the “**Ninth Heckel Affidavit**”). Capitalized terms used and not defined in this Tenth Report have the meanings given to them in the ARIO or the Ninth Heckel Affidavit, as applicable.

2.4 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

3.0 PLAN IMPLEMENTATION DATE

3.1 On April 25, 2024 (the “**Plan Implementation Date**”), the Monitor received written notice from the Nordstrom Canada Entities that the conditions precedent to implementation of the Plan as set out in section 8.3 of the Plan had been fulfilled. In accordance with the Plan and the Sanction and Vesting Order, on April 25, 2024, the Monitor caused the Monitor’s Plan Implementation Date Certificate to be provided to the Nordstrom Canada Entities, served

on the Service List, and posted on the Monitor’s Website. On April 26, 2024, the Monitor filed the Monitor’s Plan Implementation Date Certificate with the Court.

4.0 ESTABLISHMENT OF THE CONSOLIDATED CASH POOL AND THE CASH RESERVES

4.1 As described in the Eighth Report of the Monitor dated February 21, 2024 (the “**Eighth Report**”), as of February 10, 2024, the Nordstrom Canada Entities’ closing cash balance was approximately \$80.0 million. Cash receipts and disbursements from February 11, 2024 to the Plan Implementation Date are summarized in the table below.

Bank Activity Prior to PID	
<i>(\$ in 000's CAD)</i>	
Opening Bank Cash Balance (2.11.2024)	\$ 80,026
<i>Receipt of Net NCRI Transfer Pricing Payment</i>	69,939
<i>Receipts</i>	2,574
<i>Professional Fees</i>	(2,251)
<i>Shared Service Payments - Intercompany</i>	(325)
<i>All Other</i>	(100)
Ending Bank Cash Balance as at PID (4.25.2024)	\$ 149,864

4.2 In accordance with the Plan and the Sanction and Vesting Order, on or before the Plan Implementation Date, the Nordstrom Canada Entities transferred: (a) approximately \$138.1 million into the Consolidated Cash Pool Account; (b) approximately \$6.2 million into the Disputed Claims Reserve Account; and (c) approximately \$5.6 million into the Administrative Reserve Account. The balances of these accounts on the Plan Implementation Date and following the completion of the Initial Distribution are summarized in the table below.²

² Post-PID transactions include the following transactions arising following the Plan Implementation Date: (i) interest on cash balances; (ii) service fees; and (iii) a transfer of approximately \$703,000 from the Disputed Claims Reserve

(\$ in 000's CAD)	Balance on PID	Post-PID Transactions	Initial Distributions	Balance After Initial Distributions
Consolidated Cash Pool Account	138,063	986	(139,039)	11
Disputed Claims Reserve Account	6,176	(703)	-	5,473
Administrative Reserve Account	5,625	132	(334)	5,423
TOTAL	149,864	415	(139,373)	10,906

5.0 INITIAL DISTRIBUTION TO CREDITORS

5.1 As authorized pursuant to the Sanction and Vesting Order, the Nordstrom Canada Entities, with the consent of the Monitor, engaged Kroll Restructuring Administration LLC (“**Kroll**”) on April 17, 2024 following discussions with multiple firms, to assist with and facilitate distributions to claimants under the Plan.

5.2 As described in the Ninth Heckel Affidavit, claimants were given the option to select their preferred payment method and currency in advance of the Initial Distribution Date. Claimants that did not select a preferred payment method by the May 8, 2024 deadline were paid by cheque sent to the address on the claimant’s Proof of Claim.

5.3 The Nordstrom Canada Entities made the Initial Distribution on May 15, 2024. Distributions totalling approximately \$139.0 million were made to Unaffected Creditors and Affected Creditors (including distributions to Supporting Rack Landlords and FLS Landlords and distributions in respect of Intercompany Claims). The distributions were made by the Nordstrom Canada Entities (in respect of certain claimants paid by wire transfer) and Kroll (in respect of claimants paid by cheque, EFT or wire transfer). Each

Account to the Consolidated Cash Pool Account in respect of Disputed Claims that became Proven Claims before the third business day prior to the Initial Distribution Date.

Affected Creditor with a Proven Claim received an Initial Distribution of approximately 72.3% of such Affected Creditor's Proven Claim.

- 5.4 As Disputed Claims continue to be resolved and anticipated additional funds are received by the Nordstrom Canada Entities, including harmonized sales tax refunds relating to the Initial Distribution and future distributions, the Monitor anticipates that smaller future distributions will be made to Affected Creditors, such that each Affected Creditor will receive aggregate distributions of approximately 72% to 75% of such Affected Creditor's Proven Claim, consistent with the range of potential recoveries set forth in the Eighth Report.

Disputed Claims Reserve

- 5.5 On the Plan Implementation Date, approximately \$6.2 million was held in the Disputed Claims Reserve on account of Disputed Claims. Between the Plan Implementation Date and the Initial Distribution Date, 13 Disputed Claims were resolved and approximately \$703,000 was transferred from the Disputed Claims Reserve to the Consolidated Cash Pool for distributions to Affected Creditors. Since the Initial Distribution, an additional Disputed Claim has been resolved and approximately \$92,000 in respect of such Claim has been transferred from the Disputed Claims Reserve to the Consolidated Cash Pool.
- 5.6 As of the date of this Tenth Report, the balance in the Disputed Claims Reserve Account is approximately \$5.4 million relating to six Claims that have been filed and certain potential claims that have been under discussion since prior to the Plan Implementation Date. The Disputed Claims Reserve includes the Pre-Filing Claim filed by the Canada Revenue Agency (the "CRA") in the aggregate amount of approximately \$3.1 million. The

Nordstrom Canada Entities and the CRA are engaged in ongoing discussions with respect to the quantification and potential resolution of the CRA's Disputed Claim.

6.0 APPROVAL OF THE FEES AND DISBURSEMENTS OF THE MONITOR AND THE MONITOR'S LEGAL COUNSEL

- 6.1 Pursuant to paragraphs 51 and 52 of the ARIO: (a) the Monitor and its counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the Filing Date, by the Nordstrom Canada Entities as part of the costs of these proceedings; and (b) the Monitor and its counsel shall pass their accounts from time to time before the Court.
- 6.2 Pursuant to the Approval and Vesting Order (Vaughan Mills and Deerfoot Meadows) of this Court dated July 17, 2023, this Court approved the Fourth Report of the Monitor and all prior reports of the Monitor, and approved the fees and disbursements of the Monitor through the period ended July 1, 2023 and of the Monitor's counsel for the period ended June 28, 2023.
- 6.3 Attached hereto as **Appendix "A"** is the Affidavit of Alan J. Hutchens sworn June 19, 2024 (the "**Hutchens Affidavit**"), attesting to the fees and disbursements of the Monitor for the period July 2, 2023 to June 1, 2024 in the aggregate amount of \$1,814,583.32 comprised of fees of \$1,590,713.50, costs and disbursements of \$15,112.45 (primarily for the costs of publishing newspaper notice of the Creditors' Meeting) and taxes of \$208,757.37.
- 6.4 Attached hereto as **Appendix "B"** is the Affidavit of Brendan O'Neill, a partner with Goodmans LLP, counsel to the Monitor, sworn June 19, 2024 (the "**O'Neill Affidavit**"),

attesting to the fees and disbursements of Goodmans LLP, for the period June 29, 2023 to May 7, 2024 in the aggregate amount of \$1,219,734.27, comprised of fees of \$1,074,348.50, costs and disbursements of \$5,062.35, and taxes of \$140,323.42.

6.5 The Monitor confirms that the fees and disbursements set out in the invoices attached to the O'Neill Affidavit relate to advice sought by the Monitor and assistance provided in respect of the CCAA Proceedings, and that, in the Monitor's view, the fees and disbursements of Goodmans LLP are properly chargeable, reasonable and appropriate.

6.6 It is the Monitor's view that the fees and disbursements of the Monitor and its counsel described in the Hutchens Affidavit and the O'Neill Affidavit, respectively, are reasonable and appropriate in the circumstances having regard to the scope of activity undertaken by the Monitor in the CCAA Proceedings.

7.0 EXTENSION OF THE STAY PERIOD

7.1 The current Stay Period (which also applies to the Co-Tenancy Stay) extends to June 28, 2024. The Nordstrom Canada Entities are seeking an extension of the Stay Period to and including December 20, 2024.

7.2 The Monitor supports an extension of the Stay Period to December 20, 2024 to provide stability while the Nordstrom Canada Entities, with the assistance of the Monitor, continue to administer the implementation of the Plan, resolve Disputed Claims, make one or more additional distributions to Affected Creditors with Proven Claims, and take other steps and actions in connection with the completion of the orderly wind-down of the Nordstrom Canada Entities.

- 7.3 The Monitor is of the view that the Nordstrom Canada Entities have acted, and continue to act, in good faith and with due diligence to advance the CCAA Proceedings, and that no party will suffer material prejudice as a result of the extension of the Stay Period.
- 7.4 Pursuant to the Plan, the Nordstrom Canada Entities continue to hold the Administrative Reserve for the purpose of paying Administrative Reserve Costs arising following the Plan Implementation Date. As of the date of this Tenth Report, the balance of the Administrative Reserve is in excess of \$5.0 million. Accordingly, the Nordstrom Canada Entities will have sufficient cash resources to continue their wind down through December 20, 2024.

All of which is respectfully submitted to the Court this 19th day of June, 2024.

**Alvarez & Marsal Canada Inc., in its capacity as Monitor of
Nordstrom Canada Retail, Inc.,
Nordstrom Canada Holdings, LLC,
Nordstrom Canada Holdings II, LLC, and
Nordstrom Canada Leasing LP,
and not in its personal or corporate capacity**

Per: _____



Alan Hutchens
Senior Vice-President

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NORDSTROM CANADA RETAIL, INC., NORDSTROM CANADA HOLDINGS, LLC
AND NORDSTROM CANADA HOLDINGS II, LLC**

Court File No. CV-23-00695619-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ELEVENTH REPORT OF THE
MONITOR**

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