

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

SAKS GLOBAL ENTERPRISES LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 26-90103 (ARP)

(Jointly Administered)

**DECLARATION OF MARK WEINSTEN
IN SUPPORT OF GLOBAL DEBTORS' EMERGENCY
MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS**

**(I) APPROVING AND AUTHORIZING THE GLOBAL DEBTORS TO ENTER INTO
AND PERFORM UNDER THE CONSULTING AGREEMENT, (II) APPROVING
PROCEDURES FOR STORE CLOSING SALES, (III) AUTHORIZING SEVERANCE
FOR NON-INSIDER EMPLOYEES, (IV) APPROVING MODIFICATIONS TO
CERTAIN CUSTOMER PROGRAMS, AND (V) GRANTING RELATED RELIEF**

I, Mark Weinstein, hereby declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury
that:

1. I am the Chief Restructuring Officer ("CRO") of Saks Global Enterprises LLC and each of the other Global Debtors.²
2. For additional background information regarding my qualifications and retention, the Global Debtors, and these Chapter 11 Cases, please see the *Declaration of Mark Weinstein in*

¹ A complete list of each of the debtors in these chapter 11 cases (collectively, the "Debtors") may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://cases.strettelaw.com/Saks>. The location of Debtor Saks Global Enterprises LLC's corporate headquarters and the Debtors' service address in these chapter 11 cases is 225 Liberty Street, 31st Floor, New York, NY 10281. Bradley Arant Boult Cummings LLP is proposed counsel for the following Debtors: Saks OFF 5TH Holdings LLC, Saks OFF 5TH LLC, Saks OFF 5TH Midco Partner Inc., and Luxury Outlets USA, LLC (collectively the "SO5 Digital Debtors"). Haynes and Boone, LLP and Willkie Farr & Gallagher LLP are proposed counsel for the remaining Debtors (collectively, the "Global Debtors").

² The SO5 Digital Debtors, which have a separate capital structure from the Global Debtors, have appointed Andrew Hede to serve as their Chief Restructuring Officer.

Support of Chapter 11 Petitions and First Day Pleadings [Docket No. 17] (the “First Day Declaration”).

3. I am generally familiar with the Debtors’ day-to-day operations, business and financial affairs, and books and records. Except as otherwise indicated, all facts set forth in this declaration (the “Declaration”) are based upon my personal knowledge, information supplied to me by other members of the Debtors’ management team and other professionals and advisors, my review of relevant documents, or my opinion based upon my experience and knowledge concerning the Debtors’ operations and financial condition. I submit this Declaration to assist the United States Bankruptcy Court for the Southern District of Texas (the “Court”) and parties in interest in understanding the circumstances necessitating the Global Debtors’ liquidation and store closing process for their full-line stores, and in support of the relief requested in the *Global Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Approving and Authorizing the Global Debtors to Enter Into and Perform Under the Consulting Agreement, (II) Approving Procedures for Store Closing Sales, (III) Authorizing Bonuses for Non-Insider Employees of Closing Stores, (IV) Approving Modifications to Certain Customer Programs, and (V) Granting Related Relief* (the “Motion”).³

4. I am over the age of 18, and if called upon to testify, I could and would testify competently to the facts set forth herein. I am duly authorized to submit this Declaration.

5. On January 13, 2026 (the “Petition Date”) and January 14, 2026, the Debtors each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue in the possession of their respective properties and the management of their respective businesses as debtors in possession.

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Inventory Liquidation and Store Closing Sales

6. As described more fully in the First Day Declaration, the Global Debtors' premier luxury retail fashion brands include Saks Fifth Avenue, Neiman Marcus, and Bergdorf Goodman department stores (the "Full Line Stores"). These Full Line Stores offer a premier retail shopping experience for luxury consumers nationwide. In addition to the Full Line Stores, the Global Debtors operate a number of off-price brick and mortar stores and online e-commerce experiences. The Global Debtors filed a separate motion to close a majority of their off-price stores on January 29, 2026 [Docket No. 513], and the Court entered an order granting the requested relief on an interim basis on February 2, 2026 [Docket No. 612].

7. Throughout 2025, the Global Debtors experienced significant liquidity issues. These constraints made it difficult for the Global Debtors to secure inventory to stock their stores, ultimately resulting in steep revenue declines. While the Global Debtors' luxury business remains a strong platform for growth, declines in certain markets and reduced sales and revenues from certain store locations have exacerbated the Global Debtors' overall liquidity problems.

8. In light of these challenges, the Global Debtors and their advisors have explored numerous potential paths toward optimizing their store profile. Given the breadth of luxury retail chains that make up the Global Debtors' brand portfolio, their stores face competition not only from other luxury retailers and e-commerce experiences, but also, in certain markets, from one another. Given this landscape, the Global Debtors and their advisors have critically assessed the financial and operational performance of their retail locations to identify the strongest stores within their portfolio. They have also assessed the geographic footprint of their stores to identify markets and localities that present the best opportunities for future success, as well as those that present particular challenges from weaker demand or heightened competition. This analysis has helped the Global Debtors to identify areas that present strong prospects for continued sales or future

growth, as well as those where heightened competition or reduced demand present challenges to operations.

9. As a result of this analysis, the Global Debtors have determined in their business judgment that targeted reductions in their overall luxury retail footprint will best position their businesses for future growth and profitability. Accordingly, the Global Debtors plan to liquidate inventory from and close eight Saks Fifth Avenue stores and one Neiman Marcus store. The Global Debtors have begun making preparations for these liquidations, including by transferring certain inventory from Closing Stores to Go-Forward Stores to the extent doing so will help maximize value. This reduction in the Global Debtors' overall store profile will allow the Global Debtors to focus on and invest in their most profitable and best performing stores. It will also reduce competition between the Global Debtors' stores, optimizing the path forward for the stores that will remain open. Ultimately, this strategy will permit the Global Debtors to right-size their retail footprint, better serve their luxury customers, strengthen their brand partnerships, and position their remaining stores for future success.

10. The Global Debtors and their advisors continue to evaluate their store portfolio, and may, in the future, identify a limited number of additional Full Line Stores that it would be in the best interest of their business and their estates to close. Given the ongoing nature of these evaluations and the need to act quickly to maximize the value realized from the store closings, I believe the Court should permit the Global Debtors to supplement the list of stores they plan to close without the need for further relief from the Court.

The Global Debtors' Selection of the Consultant

11. The Global Debtors engaged with a number of key stakeholders to assess the optimal path toward implementing this strategic reduction in their retail footprint. As part of this process, the Global Debtors explored both the prospect of conducting and managing the liquidation

sales and store closings themselves, and of engaging third-party consultants to assist in the liquidation of inventory and the closing of stores. The Global Debtors and their advisors reviewed terms from other similarly situated retail liquidations. They also leveraged their own institutional experience with past liquidations and store closures to determine the optimal strategy for the Store Closing Sales.

12. In conducting this analysis, the Global Debtors engaged with GA Retail Solutions, LLC (the “Consultant”) in arms’ length negotiations. As part of these negotiations, they assessed several different operational models for the Store Closing Sales that would permit the Global Debtors to retain varying levels of control over the sale process. These arrangements included equity-based and fee-based models. Initially, the Global Debtors engaged the Consultant to support their efforts to close a majority of their off-price stores. The Global Debtors now seek to engage the Consultant under a separate fee-based arrangement for certain of the Full Line Stores. Under this separate arrangement, the Consultant would provide consulting services to the Global Debtors upon request of the Global Debtors, while the Global Debtors would manage and retain control over the store closing process.

13. The success of the Global Debtors’ businesses is founded on providing a high-end luxury shopping experience for their customers. This requires the Global Debtors to maintain strong relationships with their brands and suppliers. Providing this experience and maintaining these relationships is the Global Debtors core business, and has made them one of the most recognizable luxury shopping retail brands. Accordingly, the Global Debtors concluded in their business judgement that retaining control over the store closing process with the assistance of the Consultant would maximize both the recovery from the Store Closing Sales, and the long-term value of the Global Debtors’ brands and assets.

14. The selection of the Consultant and the fee-based arrangement was based on a number of factors, including the Consultant's prior experience with the Global Debtors' businesses in connection with the closing of off-price stores, as already approved by the Court. It was also driven by the Global Debtors' need to maintain control over the Store Closing Sales for the benefit of their relationships with customers, suppliers, and other key stakeholders. Accordingly, I believe that the selection of the Consultant and approval of the Consulting Agreement is necessary and reasonable given the facts and circumstances of these Chapter 11 Cases, and is essential to maximizing the value of the Global Debtors' estates.

Emergency Need for Store Closing Sales

15. The Global Debtors must act quickly in order to maximize the value realized from the Store Closing Sales, and position their Go-Forward Stores for future success. The success of the Global Debtors' businesses is driven by the ability to supply current, fashionable, and trending merchandise. As time passes and seasons change, demand for existing inventory falls quickly, reducing its value and requiring it to be replaced with new, trending, and seasonal inventory. This means that delays in beginning the Store Closing Sales could significantly reduce the ultimate recovery from the Store Closing Sales. Given these exigent circumstances, the Court should authorize the Global Debtors to begin the Store Closing Sales as soon as possible, to both position the Global Debtors for future success, and maximize recoveries for their creditors and other stakeholders.

16. In addition, the Global Debtors have carefully orchestrated the proposed store closing process in the days leading up to the filing of the Motion, including announcing their plans to affected store employees and other key stakeholders, moving merchandise that will not be subject to the Store Closing Sales, and making other necessary preparations. For example, the Global Debtors have begun arranging for consigned merchandise to be moved out of the Closing

Stores or returned to the relevant vendor. As such, any delay of the commencement of the Store Closing Sales risks the Global Debtors' ability to realize the benefits of this process.

17. Further, many of the Closing Stores operate on leased premises where the Global Debtors pay monthly rent, utilities, and other related expenses. Delays to the beginning of the Store Closing Sales will force the Global Debtors to incur additional rent, utilities, and other related expenses at stores that are closing and will not contribute to the long-term success of their businesses. These unnecessary charges would reduce the value of the Global Debtors' estates to the detriment of all parties in interest.

18. Accordingly, I believe it is necessary to maximize recovery and reduced costs to the Global Debtors' estates that the Court approve the Store Closing Procedures and permit the Global Debtors to begin the Store Closing Sales on an emergency basis.

Store Closing Severance Program

19. The success of the Store Closing Sales also depends on store-level and corporate employees continuing their ordinary course duties for the duration of the Store Closing Sales. Replacing such employees would not be feasible under the contemplated timeframe for the Store Closing Sales. Further, the Global Debtors' existing employees have the knowledge, experience, and understanding of the Global Debtors customers and brands to maximize sales during the store closing process. The employees' ongoing commitment and performance is necessary to ensure that the Global Debtors maximize stakeholder value through the Store Closing Sales. To ensure this commitment and performance, it is imperative that the Global Debtors be permitted to provide severance payments under the Store Closing Severance Program.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct.

Dated: February 10, 2026

/s/ Mark Weinstein

Name: Mark Weinstein

Title: Chief Restructuring Officer