

## Nordstrom Says Family Paid Fairly For Private Plane Use

By **Daniel Langhorne**

*Law360, New York (July 14, 2015, 9:52 PM ET)* -- Nordstrom Inc. reiterated Monday that a Washington federal judge should toss a shareholder's suit claiming the company concealed the cost of operating a private airplane fleet for its namesake family, arguing the company has been more than reimbursed by the family for market-rate services.

Monday's reply from Nordstrom officials requested a dismissal of shareholder Judith Burbrink's claims that the corporate governance and nominating committee members breached their fiduciary duty related to pricing plane services, allowed misstatements in proxy statements to the U.S. Securities and Exchange Commission and committed corporate waste.

"Plaintiff's various assertions that its members acted in bad faith or 'consciously disregarded' their duties is both unsupported and unsupportable," the directors said.

Nordstrom claims Burbrink's arguments that the company overpaid for airplane services fail, saying its governance committee engaged in a good-faith process to price the transactions with the help of an independent industry expert.

Corporate directors named in the suit are also shielded from personal liability under Washington state law because they relied on the advice of an expert in pricing airplane-related transactions and were not required to perform a cost analysis as recommended by Burbrink, the directors say.

According to the complaint, the amount of services the company provided the Nordstrom family jumped in 2007 during the financial crisis. Between March 2007 and November 2008, the company's stock price fell from \$55 per share to \$6.61 per share, which inflicted "steep losses on the Nordstrom family, which owns a controlling stake," the suit said.

Since 2007, the company has been largely responsible for flying, housing, servicing and repairing company planes but also at least nine private planes owned by the extended Nordstrom family, according to the complaint. Pilots employed by the company spend a large proportion of their time flying the Nordstroms on private planes to vacation destinations, the suit claims.

Burbrink filed the complaint after her attorneys from Strimatter Kessler Whelan, Morgan & Morgan PC, Kyros Law Offices and Hug G. Ta Esq. PLLC inspected company documents Nordstrom produced.

Burbrink is represented by Brad Moore of Stritmatter Kessler Whelan, Hung Ta, Natalia Williams and

JooYun Kim of Hung G. Ta Esq. PLLC, Peter Safirstein and Roger Sachar of Morgan & Morgan PC and Konstantine W. Kyros of Kyros Law Offices.

Nordstrom is represented by Robert P. Varian, Daniel J. Dunne, David S. Keenan and M. Todd Scott of Orrick Herrington & Sutcliffe LLP.

The case is Judith Burbank v. Phyllis J. Campbell et al., case number 2:15-cv-00377, in the U.S. District Court for the Western District of Washington.

--Editing by Richard McVay and Kelly Duncan.

---

All Content © 2003-2015, Portfolio Media, Inc.