

**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 HUDSON'S BAY COMPANY ULC COMPAGNIE DE  
LA BAIE D'HUDSON SRI, HBC CANADA PARENT HOLDINGS INC., HBC  
CANADA PARENT HOLDINGS 2 INC., HBC BAY HOLDINGS I INC., HBC  
BAY HOLDINGS II ULC, THE BAY HOLDINGS ULC, THE BAY  
HOLDINGS II ULC, HBC CENTREPOINT GP INC., HBC YSS 1 LP INC.,  
HBC YSS 2 LP INC., HBC HOLDINGS GP INC., SNOSPMIS LIMITED,  
2472596 ONTARIO INC. and 2472598 ONTARIO INC.

Applicants

**AIDE MEMOIRE OF THE FILO AGENT  
(JULY 22, 2025 CASE CONFERENCE)**

July 21, 2025

**LENCZNER SLAGHT LLP**

Barristers

130 Adelaide Street West, Suite 2600  
Toronto, ON M5H 3P5

Matthew B. Lerner (55085W)

Tel: (416) 865-2940

Email: [mlerner@litigate.com](mailto:mlerner@litigate.com)

Brian Kolenda (60153N)

Tel: (416) 865-2897

Email: [bkolenda@litigate.com](mailto:bkolenda@litigate.com)

Christopher Yung (62082I)

Tel: (416) 865-2976

Email: [cyung@litigate.com](mailto:cyung@litigate.com)

Julien Sicco (82939D)

Tel: (416) 640-7983

Email: [jsicco@litigate.com](mailto:jsicco@litigate.com)

Lawyers for the FILO Agent

TO: **SERVICE LIST**

1. The FILO Agent asks the Court to permit its motion to proceed on July 31, 2025. At least \$5 million per month is being wasted in furtherance of the Central Walk transaction. The Monitor confirms that: (1) it is neither “fair nor equitable for the FILO Agent’s priority collateral to continue to be used to fund”<sup>1</sup> the transaction; and (2) there is a “significant risk” that the transaction “does not ultimately close”.<sup>2</sup> Further, Ms. Liu and the Pathlight Lenders, as the parties with the most to gain from the transaction, have failed to step up and pay the costs associated with the pursuit of the transaction. The ARIO provides a mechanism for the Applicants to shift the risk of the leases to Pathlight, but they have inexplicably refused to do so.<sup>3</sup>

2. The FILO Agent’s motion seeks the effective termination of the burdensome Leases at the earliest opportunity. If any motion to approve the Central Walk transaction is to be heard with the FILO Agent’s motion, there is no reason it cannot also proceed on July 31, on the following schedule:

Date	Step
Friday, July 25	Any further responding material re: FILO Agent’s motion Any motion materials (from the Applicants or Ms. Liu) in support of CW approval motion
Monday, July 28	Any material responding to CW approval motion Any reply to FILO Agent’s motion
Tuesday, July 29	Any reply to CW approval motion Cross-examinations
Wednesday, July 30	Cross-examinations Any further written argument
Thursday, July 31	Hearing

3. At a minimum, the Court should ensure that it has the complete record in support of the CW transaction before July 31. The Applicants and Ms. Liu have had months to pursue approval

---

<sup>1</sup> Sixth Report of the Monitor Alvarez & Marsal Canada Inc., dated July 14, 2025 (the “**Sixth Report of the Monitor**”), at para 5.30.

<sup>2</sup> Sixth Report of the Monitor, at para 5.30(c).

<sup>3</sup> Amended and Restated Initial Order dated March 21, 2025, para. 12.

and have taken no apparent material steps to advance it, despite having been given every opportunity to do so. And, as made abundantly clear at the parties' last attendance on July 15, 2025, discussions between the Landlords and Ms. Liu concluded without success by the week of June 2, 2025.<sup>4</sup>

4. There is no reason why the FILO Agent's motion cannot be fully briefed and argued on July 31. The FILO Agent is confident that, at that time, the record will continue to demonstrate the futility of conducting further proceedings and burning millions of dollars to service leases that will provide no benefit to the Applicants nor any creditor, and certainly not the FILO Lenders.

5. Any proposed timetable that delays adjudication until September risks more than \$10 million of the FILO Lenders' collateral being thrown away. If the Pathlight Lenders or Ruby Liu Commercial Investment Corp. (or any other parties) want the Applicants to expend any additional cost or time to address these matters, they (and not the FILO Lenders) should bear the risk and cost of that delay.

6. Even if the Applicants and Ms. Liu can assemble a record that demonstrates some faint hope of a viable transaction by July 31, the Court at that time should:

- (a) Direct an end to all rent payments from the FILO Lenders' collateral effective that date, leaving it open to other parties with an economic interest in the Leases to pay rent to sustain them,<sup>5</sup> whether by advances of cash<sup>6</sup> or through the application of the deposit that Ms. Liu has placed with the Monitor; and/or

---

<sup>4</sup> Sixth Report of the Monitor, at paras 4.5-4.7.

<sup>5</sup> Paragraph 10(a) of the Amended and Restated Initial Order dated March 21, 2025 requires that the Applicants make rent payments "twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears)" but only "until a ... Lease ... is disclaimed in accordance with the CCAA or otherwise consensually terminated". In the case of disclaimer, that provision would not require formal amendment to relieve the Company of the obligation to pay rent. But even without disclaimer, nothing prevents the Court from effecting a result that simply permits the Applicants to cease to pay rent, which is an ordinary-course option of any debtor in the case of post-filing supply (See *Tacora Resources Inc. (Re)*, 2024 ONSC 2454 at para. 36 and *Bellatrix Exploration Ltd. (Re)*, 2020 ABQB 809 at paras. 38-40, 95). It is open to the Court to direct that any rent payments not be made from cash collateral in which the FILO Lenders have an interest.

<sup>6</sup> Paragraph 12 of the ARIO exists precisely for this purpose, to permit the Pathlight Lenders to seek to keep on foot leases that the Applicants would disclaim.

- (b) Permit and direct the disclaimer of the Leases, and direct a hearing of any CW Transaction approval motion during the subsequent 30 days, before any disclaimer would otherwise ordinarily become effective under, section 32(5) of the CCAA.<sup>7</sup>

7. The Court should not permit these issues to languish further. The Applicants and Ms. Liu have had months to show a viable transaction. The FILO Agent respectfully requests that its motion be heard on July 31 to prevent a further erosion of its collateral for the benefit of other parties' interests.



---

**Matthew B. Lerner**

**LENCZNER SLAGHT LLP**

Barristers

130 Adelaide Street West, Suite 2600  
Toronto, ON M5H 3P5

**Matthew B. Lerner (55085W)**

Tel: (416) 865-2940

Email: [mlerner@litigate.com](mailto:mlerner@litigate.com)

**Brian Kolenda (60153N)**

Tel: (416) 865-2897

Email: [bkolenda@litigate.com](mailto:bkolenda@litigate.com)

**Christopher Yung (62082I)**

Tel: (416) 865-2976

Email: [cyung@litigate.com](mailto:cyung@litigate.com)

**Julien Sicco (82939D)**

Tel: (416) 640-7983

Email: [jsicco@litigate.com](mailto:jsicco@litigate.com)

Lawyers for the FILO Agent

---

<sup>7</sup> CCAA, s. 32(5) ("An agreement is disclaimed or resiliated ... (c) if the court orders that the agreement is disclaimed or resiliated under subsection (3), on the day that is 30 days after the day on which the company gives notice or on any later day fixed by the court").