

CITATION: Bed Bath & Beyond Canada Ltd. (Re), 2023 ONSC 6450
COURT FILE NO.: CV-23-00694493-00CL
DATE: 2023-11-17

SUPERIOR COURT OF JUSTICE - ONTARIO

**RE IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
 ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF BBB CANADA LTD.**

BEFORE: Chief Justice Geoffrey B. Morawetz

COUNSEL: *Shawn Irving and David Rosenblat*, for the Applicant, Bed Bath & Beyond Canada
 Ltd.

Joshua Foster and Mike Shakra for the Monitor, Alvarez & Marsal

HEARD: November 17, 2023

ENDORSEMENT

[1] The Applicant, BBB Canada Ltd. (the "Applicant") brings this motion for an extension of the Stay Period to May 22, 2024. The Monitor supports the position of the Applicant and there was no opposition to the requested relief.

[2] The evidentiary support for the motion is set out in the affidavit of Michael Goldberg, sworn November 13, 2023, the Eighth Report of the Monitor and the affidavit of Joshua Foster, sworn November 16, 2023.

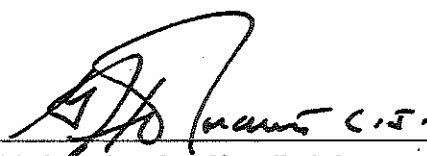
[3] Having reviewed the record, there is one issue which, in my view, requires clarification. It concerns the role of the Financial Advisor to BBB Inc., in connection with the transfer of approximately \$6.1 million from BBB Canada to a US concentration account, where it was commingled with other funds, and then distributed to the Lenders in accordance with the Chapter 11 Plan. The point that requires clarification is that at the time of the transfer, the terms of the Amended and Restated Initial Order ("ARIO") required BBB Canada to maintain a minimum balance of \$6 million in its bank account, subject to the consent of the Monitor to a consensual reduction.

[4] The parties involved in the transfer of funds are directed to provide clarification of events relating to this transfer.

[5] With respect to the request to extend the Stay Period, I am satisfied that the Applicant has acted and continues to act in good faith and with due diligence in these proceedings. The Record establishes that steps have been taken to enter into a Reimbursement Agreement in the amount of US\$3 million, so as to ensure that the Applicant is able to pay any potential priority obligations, including those subject to the Charges (as defined in the ARIO) – which rank in priority to claims of the Lenders.

[6] Accordingly, I am prepared to extend the Stay Period up to December 1, 2023. A hearing is now scheduled for that day so that affected parties have the opportunity to clarify issues surrounding the transfer of funds from BBB Canada to the US concentration account. In arriving at this conclusion, I am satisfied that the Record establishes that the Applicant will have sufficient financial resources to conduct operations during the extension of the Stay Period.

[7] An order reflecting the foregoing has been signed.



Chief Justice Geoffrey B. Morawetz

Date: November 17, 2023