

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, HBC CENTERPOINT GP INC., HBC
HOLDINGS GP INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., and
2472598 ONTARIO INC.

(the "Applicants")

FACTUM OF RUBY LIU COMMERCIAL INVESTMENT CORP.

(Lease Assignment Motion - returnable August 28, 2025)

August 21, 2025

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PART I – OVERVIEW

1. The applicants (the “**Applicants**” or “**HBC**”) commenced these proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and obtained approval from this Honourable Court (the “**Court**”) to, among other things, implement a process to market the Applicants’ various commercial leases for sale. This “**Lease Monetization Process**” was implemented by the Applicants, with the assistance of financial advisors, and supervised by the Monitor.

2. Ruby Liu Commercial Investment Corp. (“**RLCI**”) was selected as the winning bidder in respect of 28 former leases of the Applicants. Three of those leases – in shopping malls owed by Ms. Ruby Liu – were assigned to RLCI with Court Approval, for \$6 million. However, the transfer of the other twenty-five (25) lease (the “**CW Leases**”) included in RLCI’s successful bid is opposed by the various landlords (the “**Landlords**”). This opposition is framed in various ways, but the truth is – the Landlords were never prepared to consider RLCI as a tenant and see an opportunity to reclaim the premises for their own purposes.

3. RLCI is the successful bidder for the CW Leases in the Lease Monetization Process. RLCI’s offer is to the benefit of all stakeholders. It will result in:

- (a) net proceeds to the Applicants in excess of \$50 million (backed by a personal guarantee);
- (b) full payment of arrears to the Landlords;
- (c) millions of dollars of rent and other lease obligations paid to the Landlords (backed by a personal guarantee for one year);
- (d) millions of dollars invested in the subject premises; and
- (e) employment opportunities for hundreds of people, including former HBC staff.

Moreover, if RLCI’s offer is approved, no one – including the Landlords – will be materially prejudiced.

4. This process has been a challenging one for RLCI and Ms. Liu, including questions and implications about her financial ability, intent and character. Accordingly, this factum is filed to address certain issues that RLCI believes are important for the Court and in support of the motion by the

Applicants for approval of the “**Central Walk APA**”¹ and an assignment of the CW Leases to RLCI pursuant to s. 11.3 of the CCAA.

PART II – THE FACTS

Background

5. Ms. Liu is the driving force and controlling mind behind RLCI and the Central Walk APA.

6. Ms. Liu comes from humble beginnings and amassed a fortune as a property developer and retail mall operator in China, before becoming a permanent resident of Canada.² Through her holding companies, she acquired three malls in British Columbia now operating under the “Central Walk” banner. She acquired those properties from entities related to Ivanhoe Cambridge (“**Ivanhoe**”, one of the opposing Landlords), who deemed the Central Walk entities and Ms. Liu to have sufficient financial and operational strength to provide significant vendor take back mortgages on very favourable terms on two of those properties.³

7. Ms Liu invested in all three malls, executing renovations and launching initiatives to boost foot traffic. At one location, “Tsawaassen Mills”, she increased annual foot traffic by two million people and revenue by 15%⁴, leading the Chief of the Tsawwassen Mills First Nation to write that Ms. Liu and her team had turned “what was once a distressed asset into a financial viable property” and praising Ms. Liu and her team’s efforts to work with the local First Nations community.⁵

8. When HBC entered CCAA proceedings, Ms. Liu saw an opportunity. She incorporated RLCI for the purpose of making offers on the HBC intellectual property portfolio (which offer was not successful) and the CW Leases (which was successful).⁶ The result was the Central Walk APA.

¹ As defined in the Affidavit of Franco Perugini sworn July 29, 2025, Applicants’ Motion Record dated July 29, 2025, Tab 2 [Second Perugini Affidavit]

² Affidavit of Weihong “Ruby” Liu, sworn July 29, 2025, RLCI’s Motion Record dated July 20, 2025, paras. 3, 12 and 14 [First Liu Affidavit]

³ Cross-Examination Transcript of Ruby Paola (Ivanhoe) - Ms. Paola confirmed the vendor take back mortgages: p. 39, line 11. [Ivanhoe Cross-Examination]

⁴ First Liu Affidavit, para. 61

⁵ First Liu Affidavit, para. 62; Exhibit E.

⁶ First Liu Affidavit, para. 16.

9. In support of the Central Walk APA, RLCI has invested considerable time, effort and resources to prepare a business plan⁷ without certainty that the Court would approve the transaction or the assignment of the CW Leases.⁸ The plan is comprehensive and includes, among other things:

- (a) a \$375,000,000.00 budget, to be financed by equity injection from Ms. Liu;
- (b) a commitment to comply with all the terms and conditions of the CW Leases;
- (c) engagement with senior HBC employees to join management;
- (d) strategies and budgeting for construction, product supply and other operational matters; and
- (e) hiring of a targeted 1,800 employees, at all levels, with preference to former HBC employees,

all of which was undertaken without certainty of Court approval and is, as would be reasonably expected, conditional on the CW Leases being assigned to RLCI.

10. Additionally, Ms. Liu has agreed to personally guarantee rent obligations under the CW Leases for a period of one-year following closing.⁹ This is in addition to her personal guarantee of the Central Walk APA.¹⁰

11. Moreover, Ms. Liu has acknowledged that, although she believes in the budgets presented in with the business plan, there may be circumstances in which RLCI could require more funding – in which case, she is committed to advance the additional necessary funds.¹¹

Financing of the Acquisition and Venture

12. RLCI is solely-owned by Techion Global Investments Ltd, which is, in turn, is solely-owned by Ms Liu.¹² She is committed to fund RLCI through personal funds and funds derived from corporations

⁷ First Liu Affidavit, Exhibit A.

⁸ First Liu Affidavit, para. 26.

⁹ Affidavit of Weihong “Ruby” Liu, sworn August 12, 2025, RLCI’s Reply Motion Record dated August 12, 2025, para.8 and Exhibit B. [[Second Liu Affidavit](#)]

¹⁰ Central Walk APA, Franco Perugini Affidavit, Exhibit B. | Eighth Report of the Monitor dated August 20, 2025, Appendix “D” [[Eighth Report](#)]

¹¹ Second Liu Affidavit, paras. 22-24.

¹² Answers to Undertakings and Under Advisements given at the Cross-Examination of Ms. Liu on August 15, 2025, Answer to U/A p.65 l.24 – Corporate Org. Chart UA07 [[Liu Answers to Undertakings](#)]

she controls, including as necessary though the sale of assets.¹³

13. In addition to cash and cash equivalents, the primary assets of the corporations in question include three malls in British Columbia: (a) “Mayfair” – held by Central Walk Mayfair Shopping Centre Inc.; (b) “Woodgrove” – held by Central Walk Woodgrove Shopping Centre Inc.; and, (c) “Tsawwassen Mills” – held by Central Walk Tsawwassen Mills Inc., each of which are held by various holding companies. Ms. Liu is the ultimate 70% shareholder of Mayfair and Woodgrove and the ultimate 79% shareholder of Tsawwassen Mills.¹⁴ Ms. Liu controls the entire corporate enterprise, including all related parties holding loans against the mall properties, and she controls the funds held by such enterprise.¹⁵

14. Ms. Liu’s sources of funding include, but are not limited to:

- (a) \$135,000,000.00 in personal liquid funds available now, with a further \$34,000,000.00 available by June 2026;
- (b) \$75,000,000.00 in liquid funds available through her holding companies, with a further \$84,000,000.00 available by February 2026; and
- (c) more than \$700,000,000.00 in value (net of third-party loans) accessible in the Central Walk malls controlled by her.¹⁶

15. Ms. Liu is committed and fully capable of funding the acquisition of the CW Leases under the Central Walk APA and RLCI’s proposed venture. As stated in her reply affidavit:

I would not have undertaken this process, expended the time and several million dollars that I have to date, committed my considerable wealth going forward, and proceeded despite the objections of the Landlords if I was not fully prepared to fund this venture. I have no intention to invest \$400 million into a business and then have it fail after such a significant expenditure. I am committed to the financial success of the business.¹⁷

¹³ First Liu Affidavit, paras 31 & 34 ; and, Exhibit C.

¹⁴ Liu Answers to Undertakings, Answer to U/A p.65 l.24 – Corporate Org. Chart UA07; Answer to U/A p.64 l.17 – Ownership of Tsawwassen Mills; Answer to UA p/65, l.15 – Ownership of Mayfair and Woodgrove [Liu Answers to Undertakings]

¹⁵ Liu Transcript, p. 84, line 22; p. 40, line 5.

¹⁶ First Liu Affidavit, para. 32 and Exhibit C. | Exhibits 4, 6 and 13 to Cross-Examination Transcript of Weihong Liu, Audited 2024 Financial Statements evidencing \$343M in third party loans against the properties. [Liu Transcript] | Exhibits 3, 4 and 5 to Ivanhoe Cross-Examination - Ms. Paola, through counsel, refused to confirm if appraisals of Central Walk properties evidencing an aggregate value of \$1.071B were provided by Ivanhoe Cambridge: p. 46, line 5, p. 47, line 22; p. 48, line 23.

¹⁷ Second Liu Affidavit, para 7.

16. In the Eighth Report, the Monitor concluded there is a reasonable basis upon which RLCI can meet its financial obligations under the CW Leases.¹⁸

Mischaracterization of Ms. Liu and RLCI's Position

17. The Monitor draws certain conclusions about Mr. Liu's purported lack of involvement in the development of the RLCI business plan and operations of RCLI, relying on certain answers given by Ms. Liu in her cross-examination. The cross-examination, which was conducted through an interpreter, did present challenges in interpretation¹⁹ which were exacerbated by the examining counsel insisting on putting English documents to Ms. Liu without giving adequate time to get a translation from the interpreter²⁰ and at times presented issues as a result.²¹

18. Ms. Liu was actively involved in preparing the business plan with her team. On cross-examination, Ms. Liu indicated she did not receive a fully translated copy of the business plan until just before examination but that she had been actively involved throughout²² and she had been working with a Mandarin-speaking lawyer.²³ The conclusion drawn by the Monitor on this point mistakes Ms. Liu's testimony that she has not seen the certified translation of the business plan until just before the examination and misinterprets it that she has not seen any translations of the earlier drafts of the business plan – which is blatantly wrong.

19. RLCI and her team have been communicating to inventory suppliers since June. RLCI has communicated with more than 60 vendors who have confirmed an ability to supply products within a matter of months²⁴. The sample of former HBC suppliers referenced in Ms. Liu's reply affidavit provide supply timelines between 7 days and 3 months.²⁵ As Ms. Liu explained in cross-examination, there is ample supply and RLCI intends to finalize commitments with these vendors following assignment of the

¹⁸ Eighth Report, para. 6.39(e).

¹⁹ See, for example, Liu Transcript, p. 59, line 12; p. 62, line 15; p. 64, line 8; p. 73, line 9; p. 76, lines 5-11; p. 113, l. 15; p. 167, line 11.

²⁰ See, for example, Liu Transcript, p. 76, line 5-11.

²¹ See, for example, Liu Transcript, p. 95, lines 6-15. Ms. Liu was presented with an English business plan from May and did not immediately understand and corrected herself after answer questions.

²² Liu Transcript, p. 120, line 6.

²³ Liu Transcript, p. 77, line 19.

²⁴ Liu Transcript, Exhibit 24.

²⁵ Second Liu Affidavit, para. 12 (c); Exhibit C.

CW Leases, which will create more favourable negotiating conditions.²⁶ As well, RLCI will have time to plan and source inventory before store openings.²⁷ The Monitor also focuses on the fact that RLCI will no longer be proceeding with arrangements with J2. It is clear that the business plan continues to be refined as matters progress and that RLCI fully intends to have the necessary inventory to commence business activities within the stipulated timeframes.

20. RLCI has not executed formal employment agreements with former HBC staff, but as Ms. Liu has stated, members of HBC staff have agreed to join the RLCI team²⁸; and, RLCI will finalize those agreements if it obtains an assignment of the CW Leases.²⁹ No prudent business person would enter into binding employment agreements prior to knowing if the transaction will be consummated.

21. RLCI is committed to fulfill the terms and conditions of the CW Leases.³⁰

Landlord Opposition is Not Credible

22. The Monitor cites the “near unanimous” opposition of the Landlords as a reason for the Monitor’s rejection of the assignment of the CW Leases³¹, while at the same time noting that such opposition is not determinative.³² RLCI does not agree that this a proper basis on which to reject the lease assignment.

23. The Landlords never had any intention of considering RLCI as a tenant for the CW Leases:

- (a) the initial meeting with Cadillac Fairview was ended by Cadillac Fairview after less than 10 minutes and Cadillac Fairview refused any follow up meetings with Ms. Liu and her team, even when Ms Liu appeared in person at their offices;³³
- (b) on cross-examination, the affiant for Quadreal admitted that they did not even meet with RLCI, despite various requests, but at the same time suggested in affidavit evidence that the lack of

²⁶ Liu Transcript, p. 150, line 16

²⁷ Second Liu Affidavit, para. 12(e) | See also, Timelines in RLCI Business Plan, Supplement Liu Affidavit, Exhibit A

²⁸ First Liu Affidavit, paras. 48-51 | Liu Transcript, p. 126, lines 19-25

²⁹ First Liu Affidavit, paras. 47 and 53 | Liu Transcript, p. 131, line 12 ;

³⁰ First Liu Affidavit para 36-39 | Liu Transcript

³¹ Eighth Report, para. 6.45(e).

³² Eighth Report, para. 6.44(d).

³³ First Liu Affidavit, paras 22-23.

engagement by RLCI was “remarkable”;³⁴

- (c) on cross-examination, the affiant for Kingsett admitted that they were not prepared to consider RLCI as a tenant because RLCI is not an established retailer;³⁵
- (d) on cross-examination, the affiant for Primaris admitted that their view as that a new start-up could not fit the role of an anchor tenant;³⁶
- (e) on cross-examination, the affiant for Morguard admitted they did not seek to negotiate a lease assignment with RLCI nor request a rent guarantee;³⁷ and,
- (f) perhaps most tellingly, various landlords have pre-existing redevelopment plans that require the termination of the CW Leases.³⁸

24. It is questionable if the Landlords want new tenants in the existing premises at all, given the development plans and as, the Monitor notes in its Eighth Report, “reasonable doubts were raised about the importance of an anchor tenant in the current mall through examinations of the Opposing Landlords’ affiants”.³⁹

25. Notwithstanding the above, no Landlords made offers to acquire their respective CW Leases in the Lease Monetization Process.⁴⁰

Business Plan

26. RLCI is not certain it will secure an assignment of the CW Leases and, despite the opposition of the Landlords, RLCI has nevertheless invested significant time, effort and resources in developing a business plan.⁴¹ Even in these uncertain circumstances, the business plan is comprehensive – addressing financing, lease compliance, renovations, inventory & supply, operations and staffing – and includes a

³⁴ Cross-Examination Transcript of Jay Camacho (Quadreal), p. 34, lines 13-15; and p. 36, line 11- p. 37. Line 3.

³⁵ Cross-Examination Transcript of Theresa Warnaar (Kingsett), p. 33, line 12.

³⁶ Ivanhoe Cross-Examination, p. 13, line 18.

³⁷ Cross-Examination Transcript of David Wyatt (Morguard), p. 15, line 8.

³⁸ Cross-Examination Transcript of Patrick Sullivan (Primaris), p. 60, line 3. | Cross-Examination Transcript of Nadia Corrado (Oxford), p. 33, lines 10-19. | Affidavit of Franco Perugini sworn August 12, 2025. Reply Record of the Applicants dated August 12, 2025, at para 12; and Development Plans at Exhibits, E, F, G and H.

³⁹ Eighth Report, para. 6.44.

⁴⁰ Second Perugini Affidavit at para. 37.

⁴¹ First Liu Affidavit, paras. 74 and 75.

financial forecast.⁴²

27. A business plan is not a requirement under the law in a motion for Court-ordered lease assignment under the CCAA. However, RLCI, acting as a rational and reasonable business entity, commenced work on its business plan and forecast modeling and taking other steps to bring the plan into action if the transaction is consummated. RLCI should not now be penalized for having taken steps to prepare for a possible transaction – which is what the landlords would ask this Court to do by finding that RLCI has not yet fully baked in every aspect of her plan and entered into every contract that will be needed to operate the business.

28. Like all business plans, it is a base-line and will evolve and be advanced as appropriate, including, most importantly, should the CW Leases be assigned to RLCI. Only then, shall RLCI be positioned to firm up necessary contracts and fully implement the plan.⁴³

29. Significantly, Ms. Liu has indicated she is prepared to inject additional funds, over and above her \$400,000,000.00 commitment, if needed to make the business plan a success.⁴⁴

PART III– ISSUES & LAW

30. The key issues⁴⁵ to be determined are whether the Court should exercise its discretion to (a) approve the Central Walk APA and (b) make an order assigning the CW Leases to RLCI. RLCI submits the answer to each question is – *yes*.

31. RLCI does not wish to repeat the law set out in the factum of the Applicants. However, RLCI concurs with the law and argument advanced by the Applicants and adopts the submissions of the Applicants on this motion.

⁴² Supplemental Affidavit of Weihong “Ruby” Liu, sworn July 30, 2025, Supplemental Motion Record of RLCI dated July 30, 2025, Exhibit A. | First Liu Affidavit, Exhibit B.

⁴³ First Liu Affidavit, para. 75.

⁴⁴ Second Liu Affidavit, para. 23.

⁴⁵ RLCI is not commenting herein on the question of the legality of certain clause in certain of the Leases with Ivanhoe Cambridge but supports the Applicants’ position on this issue.

32. The Court is being asked to approve a real deal, supported by real money, that will result in real benefits to the stakeholders. The alternative is to deny these real benefits in favour of hypothetical concerns – the risk that RLCI will not succeed or, something worse in the Landlords’ minds, the risk that RLCI will succeed and they will be held to the bargains they struck with HBC. Either way, the Landlords are not materially prejudiced, whereas in the absence of the lease assignment the stakeholders get nothing. Accordingly, the alternative is no alternative at all. It serves no purpose other than creating a windfall for the Landlords and is inconsistent with the objectives of the CCAA.

PART VI - RELIEF SOUGHT

33. For all of the reasons set out above, and the facts and law in the factum of the Applicants, RLCI submits that this Honourable Court should exercise its discretion and grant the relief sought by the Applicants.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 21st day of August 2025.



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