

**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  
1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C. LTD.,  
1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608 B.C.  
UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270 ONTARIO INC.,  
SNOSPMIS LIMITED, 2472596 ONTARIO INC., AND 2472598 ONTARIO INC.**

(Applicants)

**FACTUM OF THE APPLICANTS  
(RE: Stay Extension and Approval of Monitor's Reports)  
(Returnable March 19, 2026)**

March 16, 2026

**Stikeman Elliott LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

**Ashley Taylor** LSO#: 39932E  
Email: ataylor@stikeman.com  
Tel: +1 416-869-5236

**Elizabeth Pillon** LSO#: 35638M  
Email: lpillon@stikeman.com  
Tel: +1 416-869-5623

**Brittney Ketwaroo** LSO#: 89781K  
Email: bketwaroo@stikeman.com  
Tel: +1 416-869-5524

Lawyers for the Applicants

**TO: THE SERVICE LIST**

## PART I – OVERVIEW<sup>1</sup>

1. This factum is filed in support of the Applicants' motion seeking the Stay Extension and Approval of Monitor's Reports Order, which, among other things, (a) extends the Stay Period until and including June 30, 2026, and (b) approves certain Reports of the Monitor and the activities described therein.

2. As the current Stay Period expires on March 31, 2026, the Applicants are seeking to extend the Stay Period to permit them to, among other things, assist in the sale of the remaining Art Collection as part of the Art Collection Auction, complete the removal and/or sale of remaining FF&E and signage, complete the implementation of the Employee Hardship Program, address the SERP Trustee Motion in respect of the HBC SERP matters, attend to matters involving the RioCan JV Receivership with respect to certain remaining locations, attend to Pension surplus matters as applicable, finalize Shared Services arrangements, and address document and data retention matters, all in order to maximize the value of the Applicants' remaining assets for the benefit of their stakeholders and advance the orderly wind-down of the Applicants.

## PART II – THE FACTS

3. The facts with respect to this motion are more fully set out in the Affidavit of Thomas Obersteiner sworn March 13, 2026 (the "**Initial Obersteiner Affidavit**").

4. Since the granting of the Stay Extension and Approval of Monitor's Reports Order on December 11, 2025, which extended the Stay Period until and including March 31, 2026, the Applicants, in consultation with and with the assistance of the Monitor and their respective advisors, have continued to diligently pursue various efforts within the CCAA Proceedings to

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<sup>1</sup> Capitalized terms used in this factum that are not otherwise defined have the meanings given to them in the Affidavit of Thomas Obersteiner sworn March 13, 2026 (the "**Initial Obersteiner Affidavit**"), in the Motion Record of the Applicants dated March 13, 2026 ("**AMR**") at Tab 2.

maximize the value of their assets for the benefit of their stakeholders and have addressed a variety of issues affecting the Applicants.<sup>2</sup> A summary of these activities is set out below.

#### **A. Lease Monetization Update**

5. On May 23, 2025, the Company entered into the Central Walk APA for the assignment of up to 25 leases (the “**CW Leases**”) to Central Walk. The assignment of the CW Leases under the Central Walk APA was conditional upon, among other terms and conditions outlined in the Central Walk APA, satisfactory receipt of applicable Landlord consents and/or approval of the Court.<sup>3</sup>

6. Landlords under 24 out of the 25 CW Leases (the “**Objecting Landlords**”) opposed the assignment of their respective CW Leases. As such, in accordance with a Court-ordered timetable, the Applicants brought the Central Walk Approval Motion before the Court on August 28 and 29, 2025, seeking approval of the Central Walk APA, as well as an order authorizing the assignment of the CW Leases to Central Walk pursuant to the proposed CW Leases Assignment Order, which was opposed by the Objecting Landlords.<sup>4</sup>

7. On October 24, 2025, the Court rendered its decision in respect of the Central Walk Motion and the related FILO Motion (which was heard on the same date). Among other things, the Court declined to compel the assignment of the CW Leases to Central Walk.<sup>5</sup>

8. Following the Court’s decision dismissing the Central Walk Approval Motion, the Objecting Landlords advised that they would be seeking costs against the Applicants. Pursuant to a further endorsement by the Court on November 3, 2025, the Monitor proposed a schedule for the exchange of written costs submissions in connection with those motions. The Applicants, the Objecting Landlords, Restore Capital, LLC (the “**FILO Agent**”), and Pathlight Capital LLC

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<sup>2</sup> Initial Obersteiner Affidavit at para 15, AMR at Tab 2.

<sup>3</sup> *Ibid* at paras 16-17.

<sup>4</sup> *Ibid* at para 18.

<sup>5</sup> *Ibid* at para 19.

("Pathlight") exchanged costs submissions in accordance with that schedule, with the final submissions being delivered on December 17, 2025.<sup>6</sup>

9. The Court's decision was released on March 10, 2026, which found, among other things, that:

- (a) the Objecting Landlords are awarded their partial indemnity legal fees, plus expert costs of \$512,096.48 and non-expert disbursements;
- (b) the Objecting Landlords should not be paid their costs until the costs, expenses, and priorities are sorted out at the end of the CCAA Proceedings; and
- (c) the Court should defer payment of any costs award until the end of the CCAA Proceedings, or at least after any reallocation of costs generally.<sup>7</sup>

## **B. Liquidation Sale Update**

10. The Liquidation Sale concluded and all Stores were closed to the public by June 1, 2025. Since the completion of the Liquidation Sale, the Company and Reflect, under the oversight of the Monitor, have been coordinating the removal of FF&E directly and in consultation with the Landlords.<sup>8</sup>

11. At this time, FF&E removal and demolition activities have been completed at all but one location, which is subject to separate Receivership proceedings and is leased by the JV Entities. The FF&E removal at this location is expected to be completed by the end of March 2026.<sup>9</sup>

12. Removal of external signage at the Company's and RioCan JV's Stores was initially paused following a demand from the FILO Agent that the Company not incur any further costs associated with signage removal. Ultimately, on November 14, 2025, the FILO Agent confirmed that, provided the estimated signage removal costs remained below a threshold previously

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<sup>6</sup> *Ibid* at para 21.

<sup>7</sup> *Ibid* at para 22.

<sup>8</sup> *Ibid* at para 23.

<sup>9</sup> *Ibid* at para 24.

discussed, it would not take steps to have the signage issue addressed by the Court.<sup>10</sup>

13. Since receipt of the FILO Agent's position, the Company has been working with various contractors and landlords to coordinate the removal of signage while minimizing costs. As of the date of this Affidavit, signage removal has been completed at all but four former store locations. Of these remaining four locations: (a) removal work is being completed by the landlord at one of the stores; and (b) the Company is coordinating the removal work with its contractor at the other three stores. The process for the three remaining stores is dependent upon receipt of municipal permits prior to completing the work.<sup>11</sup>

### **C. Art Collection Auction Update**

14. On September 25, 2025, the Applicants sought and obtained an Order approving the Art Collection Auction Procedures, pursuant to which the Auctioneer will conduct the Art Collection Auction and vest the individual Lots constituting the Art Collection in the Buyers at the Art Collection Auction free and clear of all claims and encumbrances.<sup>12</sup>

15. The live auction took place in Toronto at the Auctioneer's gallery on November 19, 2025, with all pieces of art in the live auction catalogue being sold in excess of the estimates set by the Auctioneer.<sup>13</sup> With respect to the online auction, individual items are made available for auction in batches. The first batch of items auctioned in this format went live for bidding on November 12, 2025, with final bids closing on December 4, 2025. The sale of the second and third batches of items in the online auction closed on January 27 and February 19, 2026, respectively. The fourth online auction is being held from March 10 to 19, 2026. It is currently anticipated that there will be two additional online auctions after the fourth auction, with the dates for same to be announced.<sup>14</sup>

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<sup>10</sup> *Ibid* at para 26.

<sup>11</sup> *Ibid* at para 27.

<sup>12</sup> *Ibid* at para. 29.

<sup>13</sup> *Ibid* at para 30.

<sup>14</sup> *Ibid* at para 31.

#### **D. Charter Auction Update**

16. On December 11, 2025, the Applicants sought and obtained the Charter AVO, which, among other things, approved the sale of the Charter to Wittington Investments, Limited and DKRT Family Corp. (collectively, the “**Purchasers**”), and vested the Charter in the Purchasers, subject to the obligation to immediately donate the Charter to four public institutions, namely, the Archives of Manitoba, the Manitoba Museum, the Canadian Museum of History, and the Royal Ontario Museum.<sup>15</sup>

17. The Charter Transaction closed on December 19, 2025, and the Charter was immediately donated to the identified public institutions. The proceeds received in connection therewith were distributed to the FILO Agent on December 23, 2025.<sup>16</sup>

#### **E. Update Regarding Employee Matters**

##### **(i) WEPPA**

18. The Applicants and their counsel have worked closely with the Monitor, ERC, and Service Canada to facilitate the implementation of the WEPP claims process and to address any issues as they arise throughout the process.<sup>17</sup>

19. Approximately 6,400 WEPP applications were submitted by former employees prior to the extended December 26, 2025, deadline. Service Canada has since reviewed all submitted applications, and the Monitor continues to respond to inquiries from former employees and to submit amended TIFs where appropriate.<sup>18</sup>

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<sup>15</sup> *Ibid* at para 32.

<sup>16</sup> *Ibid* at para 33.

<sup>17</sup> *Ibid* at para 36.

<sup>18</sup> *Ibid* at para 37.

**(ii) Hardship Funds**

20. On February 11, 2026, the Court approved the Term Sheet, which resulted from extensive negotiations among ERC, the secured lenders, the Applicants, the Monitor, and the Trustees of the Zellers Limited Health and Welfare Trust Fund (the "**Trust**"). The Term Sheet establishes three programs to address hardship experienced by certain of the Company's former employees, including continuation of long-term disability benefits ("**LTD Benefits**"), the Woodward's Replacement Policy, and access to a general Employee Hardship Fund.<sup>19</sup>

21. The Trust was established by Zellers Limited on June 1, 1980, and currently holds assets of approximately \$9.9 million at ScotiaWealth. Following the Company's merger with Zellers, the Company assumed responsibilities as settlor of the Trust and as a Participating Employer under clause 1.06 of the Trust Agreement. The HBC Plan subsequently expanded eligible Participating Members to include: (a) the Company's employees; (b) Zellers employees hired prior to October 1, 2002; and (c) certain terminated associates and distribution centre employees.<sup>20</sup>

22. As of February 4, 2026, there were 157 former employees receiving administrative services only ("**ASO**") LTD Benefits (the "**Extended LTD Recipients**"). Pursuant to the Term Sheet, these recipients will continue to receive payments until the earliest of: (a) finalization of their LTD Termination Payments (subject to available funding, with a potential outside date of May 15, 2028); (b) attainment of age 65; or (c) death.<sup>21</sup>

23. Since Court approval of the Term Sheet, the Company and the Trustees, with the assistance of ERC and the Monitor, have been working to implement the Term Sheet, including seeking various payments from Manulife and Scotia Wealth. The Company has made arrangements with Manulife to facilitate the payment of monthly Interim LTD Payments and

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<sup>19</sup> *Ibid* at paras 39 and 42.

<sup>20</sup> *Ibid* at paras 40-41.

<sup>21</sup> *Ibid* at para 43.

understands that ScotiaWealth has received internal approval to move forward with the payment. The Company has coordinated regarding payment processing.<sup>22</sup>

### (iii) Pension Surplus

24. On April 3, 2025, Telus Health (Canada) Ltd. ("**Telus**") was appointed by the Financial Services Regulatory Authority of Ontario ("**FSRA**"), in respect of the Company's Pension Plan (the "**Pension Administrator**").<sup>23</sup>

25. On September 8, 2025, FSRA issued a notice of intended decision to wind up the Pension Plan effective September 1, 2025. On October 20, 2025, FSRA issued an Order to wind up the Pension Plan effective September 1, 2025, which provided the Chief Executive Officer appointed under the *Financial Services Regulatory Authority of Ontario Act* with the authority to wind up a pension plan if all or substantially all of the members of the pension plan cease to be employed by the employer. Telus has issued direct communications to former employees for the purpose of providing updates regarding the wind-up of the Pension Plan.<sup>24</sup>

26. The Company has been in consultation with the FILO Agent, Pathlight, the Monitor, and the Pension Administrator in respect of these matters. It is contemplated that this process will involve the appointment of representative counsel for persons with entitlements to benefits under the Pension Plan, as well as direction from the Court in respect of a potential mediation process under the Court's supervision.<sup>25</sup>

### (iv) Royal Trust

27. The HBC RCAs consist of four RCAs (which are further described in the Initial Obersteiner Affidavit) pursuant to which certain current and former employees of the Company are

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<sup>22</sup> *Ibid* at paras 44-49.

<sup>23</sup> *Ibid* at para 50.

<sup>24</sup> *Ibid* at para 51.

<sup>25</sup> *Ibid* at para 52.

beneficiaries: (a) the HBC Main RCA; (b) the HBC Additional RCA; (c) the HBC RAA RCA; and (d) the Zellers RCA.<sup>26</sup>

28. The HBC RCAs represent assets potentially available for the payment of benefits under the HBC SERPs, established to provide eligible members with benefits that are in addition to benefit entitlements under the Company's registered pension plan.<sup>27</sup>

29. Following the commencement of these CCAA Proceedings, the Company notified the Trustee that it was terminating the HBC SERPs, requiring Royal Trust, in its capacity as the SERP Trustee, to wind up the HBC RCAs and distribute the assets therein in accordance with the terms governing each HBC RCA.<sup>28</sup>

30. On February 13, 2026, Royal Trust, in its capacity as the SERP Trustee, served a motion for a date to be determined seeking advice and directions with respect to certain matters that it believes must be resolved to facilitate a wind-down of the HBC RCAs and make distributions therefrom.<sup>29</sup>

31. The Company has been working with the SERP Trustee, the Monitor, and ERC to determine the timeline to proceed with the SERP Trustee Motion, to consider what additional information may be required by the Court to address the issues, and to narrow the issues for the Court to the greatest extent possible.<sup>30</sup>

#### **F. Saks Global Chapter 11 Proceedings**

32. On January 13 and 14, 2026, Saks Global and 112 affiliated companies filed voluntary petitions for relief under Chapter 11 before the United States Bankruptcy Court for the Southern District of Texas.<sup>31</sup>

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<sup>26</sup> *Ibid* at para 54.

<sup>27</sup> *Ibid* at para 59.

<sup>28</sup> *Ibid* at para 60.

<sup>29</sup> *Ibid* at para 61.

<sup>30</sup> *Ibid* at para 62.

<sup>31</sup> *Ibid* at para 63.

33. Saks Global and the Applicants historically shared certain services, and the Shared Services have been discussed and managed between the Applicants and Saks Global, in consultation with the Monitor, throughout these CCAA Proceedings. The Company and Saks Global were negotiating the terms of a final Shared Services Protocol at the time of the Chapter 11 filing. The Company continues to have access to Shared Services and will seek to finalize the arrangements with Saks Global once the Saks Global Chapter 11 Proceedings have stabilized. The Applicants have monitored, and will continue to monitor, the Saks Global Chapter 11 Proceedings.<sup>32</sup>

### **G. The Quebec Proceedings**

34. In the course of these CCAA Proceedings, Glasses Gallery, an unsecured creditor of the Applicants, initiated various litigation proceedings in Quebec, originally against the Monitor and later against both the Monitor and the Applicants (collectively, the “**Quebec Proceedings**”). Despite several communications from the Applicants and the Monitor that the Quebec Proceedings were in clear violation of the Stay of Proceedings, Glasses Gallery refused to withdraw the Quebec Proceedings and continued to take steps to advance and expand those proceedings.<sup>33</sup>

35. As such, the Monitor brought a motion before this Court, with the support of the Applicants, seeking an Order (the “**Stay Confirmation Order**”), among other things: (a) declaring that the Stay of Proceedings applies to the Quebec Proceedings and that Glasses Gallery shall not commence or continue any related claim against the Applicants or the Monitor in accordance with the terms of the ARIO (i.e., without leave of the Court or the written consent of the Applicants and the Monitor); and (b) directing Glasses Gallery to forthwith withdraw the Quebec Proceedings.<sup>34</sup>

36. At a hearing on January 27, 2026, the Court granted the Stay Confirmation Order. Glasses

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<sup>32</sup> *Ibid* at para 64.

<sup>33</sup> *Ibid* at para 65.

<sup>34</sup> *Ibid* at para 66.

Gallery subsequently withdrew the Quebec Proceedings on January 28, 2026.<sup>35</sup>

#### H. Correspondence with Mr. Turpin

37. Since January 4, 2026, the Monitor has received a significant volume of correspondence from an individual who has identified himself as Robert Rene Turpin (“**Mr. Turpin**”). In this correspondence, which has been directed at various times to the Monitor and its counsel, counsel to the Applicants, Court staff (often addressed directly to the presiding judge), various governmental entities, and the entire CCAA service list, Mr. Turpin has, among other things:

- (a) made various unsubstantiated assertions, including that he has a proprietary interest in the Charter and various of the Applicants’ art and artifacts;
- (b) requested significant accommodations from the Monitor, the Applicants, and the Court, including that all proceedings be conducted in writing; and
- (c) purported to object to various actions in these CCAA Proceedings, including the sale of the Charter (which had closed before Mr. Turpin first contacted the Monitor), and most recently, the Represented Employees’ motion for the Hardship Programs Order.<sup>36</sup>

38. On March 9, 2026, Mr. Turpin sent an email to the Applicants, the Monitor, and the Court and apparently blind copied the Service List, attaching a “Notice of Motion” seeking “An Order confirming that all proceedings involving Robert Rene Turpin be conducted in plain text/writing to ensure equitable participation under the AODA and the Human Rights Code.” The Applicants understand that Mr. Turpin intends to bring a motion seeking to establish a claim to the Charter and various other Hudson’s Bay Company artifacts.<sup>37</sup>

39. Despite the voluminous correspondence, the Applicants and the Monitor are not aware of

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<sup>35</sup> *Ibid* at para 67.

<sup>36</sup> *Ibid* at para 68.

<sup>37</sup> *Ibid* at para 70.

any evidence to substantiate Mr. Turpin's claims and do not believe that Mr. Turpin has articulated a legitimate or credible basis to object to any actions brought thus far in these CCAA Proceedings.<sup>38</sup>

### **PART III – ISSUES**

40. The issues to be determined on this motion are whether this Court should:
- (a) extend the Stay Period from March 31, 2026, until and including June 30, 2026; and
  - (b) approve certain of the Monitor's Reports (as defined herein) and the activities of the Monitor described therein.

### **PART IV – LAW & ARGUMENT**

#### **A. The Stay Extension Should be Granted**

41. The current Stay Period expires on March 31, 2026. Pursuant to section 11.02 of the CCAA, the Court may grant an extension of a stay of proceedings where: (a) circumstances exist that make the order appropriate; and (b) the debtor company satisfies the Court that it has acted, and is acting, in good faith and with due diligence.<sup>39</sup>

42. As summarized above and described in the Initial Obersteiner Affidavit, since the granting of the last order extending the Stay Period, the Applicants have acted in good faith and with due diligence in addressing a variety of issues and continuing to diligently pursue various efforts to maximize value for the benefit of their stakeholders.<sup>40</sup> Among other things, the Applicants have:

- (a) coordinated the close of the Charter Transaction;<sup>41</sup>

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<sup>38</sup> *Ibid* at para 69.

<sup>39</sup> CCAA, s. 11.02(2) and (3).

<sup>40</sup> Initial Obersteiner Affidavit at para 73, AMR, at Tab 2.

<sup>41</sup> *Ibid* at para 33.

- (b) coordinated final removal of FF&E at the remaining locations;<sup>42</sup>
- (c) engaged with the FILO Agent, the Landlords, and various contractors regarding signage removal;<sup>43</sup>
- (d) worked with the Receiver appointed over the JV Entities and Cadillac Fairview with respect to certain transactions in the Receivership Proceedings;
- (e) continued discussions with Saks Global in respect of cost allocations for shared services, advanced the shared services protocol to address shared services and data retention matters for the wind-up of the CCAA Proceedings, and dealt with the ramifications of the Saks Global Chapter 11 Proceedings;
- (f) engaged with ERC, the secured lenders, the Monitor, and the Trustees of the Zellers Limited Health and Welfare Trust Fund regarding the implementation of the hardship fund Term Sheet and attended the Hardship Program motion for approval of same;
- (g) engaged in various discussions with the Pension Administrator and responded to, among other things, information requests;
- (h) engaged in discussions with the Pension Administrator and responded to, among other things, information requests regarding the Pension surplus;<sup>44</sup>
- (i) engaged in discussions with Royal Trust in its capacity as SERP Trustee, the Monitor, and ERC regarding the HBC RCAs;<sup>45</sup>
- (j) responded to and continued to work to address all creditor and stakeholder enquiries and matters regarding these CCAA Proceedings; and<sup>46</sup>

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<sup>42</sup> *Ibid* at para 24.

<sup>43</sup> *Ibid* at para 27.

<sup>44</sup> *Ibid* at para 71.

<sup>45</sup> *Ibid* at para 62.

<sup>46</sup> *Ibid* at para 71.

- (k) engaged in numerous communications with the Monitor, secured lenders and their advisors in respect of the Company's cash flows and the CCAA Proceedings generally.<sup>47</sup>

43. The Applicants have acted in good faith and with due diligence.<sup>48</sup>

44. The Applicants are seeking to extend the Stay Period from March 31, 2026, until and including June 30, 2026. The proposed extension to the Stay Period is appropriate in the circumstances to allow the Applicants to, among other things:

- (a) assist in the sale of the remaining Art Collection to be sold online as part of the Art Collection Auction;
- (b) complete implementation of the Hardship Term Sheet;
- (c) if financial conditions are met, seek to commence the application process for the Hardship Fund, as approved with the Hardship Term Sheet Order;
- (d) seek appointment of Rep Counsel to assist with the Pension Surplus matters;
- (e) pursue Pension surplus matters in consultation with the Monitor, the FILO Agent, Pathlight, Cadillac Fairview, and the Pension Administrator and Rep Counsel once appointed;
- (f) pursue RCA trust matters in consultation with the SERP Trustee, the Monitor, and ERC, including the hearing of the SERP Trustee's motion for directions;
- (g) finalize Shared Services arrangements;
- (h) complete removal and/or sale of FF&E and signage remaining at Stores;
- (i) complete various CCAA administrative matters, including document and data retention matters; and

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<sup>47</sup> *Ibid* at para 71.

<sup>48</sup> *Ibid* at para 73.

- (j) continue to advance the maximization of the value of the Applicants' estate for the benefit of their stakeholders and the winding up of the Applicants.<sup>49</sup>

45. The proposed extension of the Stay Period will not materially prejudice any of the Applicants' stakeholders.<sup>50</sup>

46. The Monitor supports the proposed extension of the Stay Period and has filed the Eighth Cash Flow which shows the Applicants have sufficient liquidity to operate through the proposed extension of the Stay Period.<sup>51</sup>

### **B. The Monitor's Reports and the Activities of the Monitor Should be Approved**

47. The Applicants are seeking approval of the Monitor's Twelfth Report dated January 9, 2026, the Monitor's Supplement to the Twelfth Report dated January 14, 2026, the Monitor's Second Supplement to the Twelfth Report dated January 26, 2026, the Monitor's Thirteenth Report dated February 9, 2026, the Monitor's Supplement to the Thirteenth Report dated February 10, 2026, and the Monitor's Fourteenth Report to be filed (collectively, the "**Monitor's Reports**"), and the activities of the Monitor described therein.<sup>52</sup>

48. A request to approve a monitor's report is not unusual, and such requests are routinely granted in CCAA proceedings.<sup>53</sup> There are policy and practical reasons for the Court to approve the Monitor's activities and provide a level of protection for the Monitor during the CCAA Proceedings. Specifically, as this Court has recognized, court approval:

- (a) allows the Monitor to move forward with next steps in the CCAA Proceedings;

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<sup>49</sup> *Ibid* at para 72.

<sup>50</sup> *Ibid* at para 74.

<sup>51</sup> *Ibid* at para 74. Fourteenth Report of the Monitor Alvarez & Marsal Canada Inc. dated March 16, 2026 (the "**Fourteenth Report**"), at s. 4.5.

<sup>52</sup> Initial Obersteiner Affidavit at para 75, AMR, at Tab 2.

<sup>53</sup> *Target Canada Co. (Re)*, 2015 ONSC 7574 ("**Target**") at para 2.

- (b) brings the Monitor's activities before the Court;
- (c) allows an opportunity for concerns of the stakeholders to be addressed, and any problems to be rectified;
- (d) enables the Court to satisfy itself that the Monitor's activities have been conducted in a prudent and diligent manner;
- (e) provides protection for the Monitor not otherwise provided by the CCAA; and
- (f) protects the creditors from the delay that would be caused by re-litigation of steps taken to date and potential indemnity claims by the Monitor.<sup>54</sup>

49. The form of the proposed order, with respect to approval of the Monitor's Reports and the Monitor's activities described therein, is consistent with the language used in *Target*<sup>55</sup> and subsequent proceedings, including this Court's prior approval of the Monitor's reports and activities referred to therein in July 2025.<sup>56</sup>

50. The Monitor has acted responsibly and carried out its activities in good faith and with due diligence, in a manner consistent with the provisions of the CCAA and in compliance with the ARIO.<sup>57</sup> Among other activities, the Monitor has:

- (a) continued to assist in discussions and negotiations with key service providers to facilitate ongoing service and/or termination of services, and to reconcile and settle outstanding post-filing obligations;

<sup>54</sup> *Target* at para 22; *Hudson's Bay Company (Re)*, 2025 ONSC 4535 at paras. 22-23.

<sup>55</sup> *Target* at paras 7 and 26; *Hudson's Bay Company (Re)*, 2025 ONSC 4535 at paras. 22-23.

<sup>56</sup> See, for example: *Re Clover Leaf Foods* (29 September 2020), Court File No. CV-20-00641220-00CL Ont. S.C.J. [Commercial List] ([Order Re Approval of Monitor's Activities and Fees and for Stay Extension](#)) at para 3; and *Re Hudson's Bay Company ULC et al.* (31 July 2025), Court File No. CV-25-00738613-00CL Ont. S.C.J. [Commercial List] ([Order Re Stay Extension and Approval of Monitor's Reports](#)) at para. 4.

<sup>57</sup> Fourteenth Report at s. 4.7.

- (b) monitored cash receipts and disbursements and coordinated with management in preparing weekly cash flow variance reporting; communicated with the FILO Agent and its financial advisor in respect of ongoing variance reporting, and responded to related information requests and questions; and communicated with Pathlight in respect of ongoing variance reporting, and responded to related information requests and questions;
- (c) assisted the Applicants in preparing the Eighth Updated Cash Flow Forecast, including consideration of an estimated reserve to fund the remaining costs of the wind-down and CCAA Proceedings;
- (d) worked with the Applicants and Saks Global on shared services cost allocations, determination of whether remaining third-party shared contracts will be assigned to Saks Global or disclaimed, coordinating the level of support necessary to advance workstreams anticipated to generate future recoveries and properly administer the remaining aspects of the wind-down, and reviewing and analyzing related supporting information and documentation;
- (e) participated in discussions and meetings with the auction services provider and other parties in respect of the Art Collection;
- (f) monitored the concurrent receivership proceeding in respect of the JV Entities and coordinated with the Receiver of the JV Entities on various matters;
- (g) monitored the Saks Global Chapter 11 Proceedings for issues that may be relevant to the CCAA Proceedings;
- (h) assisted the Applicants in coordinating the removal of FF&E and store signage;
- (i) worked with the Applicants and Employee Representative Counsel to advance employee issues arising during the CCAA Proceedings and liaised with the Applicants, Employee Representative Counsel, and Service Canada in relation to the WEPP process;

- (j) worked with the Applicants and Employee Representative Counsel to administer the Hardship Programs Term Sheet;
- (k) worked with the Applicants, the secured lenders, their counsel, Employee Representative Counsel, and other stakeholders to develop a process to address the pension surplus;
- (l) worked with the Applicants and their counsel to develop a process for document retention and destruction;
- (m) responded to enquiries from stakeholders, including addressing questions or concerns of parties who contacted the Monitor on the toll-free number or email account established for the case by the Monitor;
- (n) posted non-confidential materials filed with the Court to the Case Website; and
- (o) with the assistance of Bennett Jones, prepared the Supplement to the Thirteenth Report and this Fourteenth Report.<sup>58</sup>

51. The Applicants respectfully submit that in the circumstances, the Court should respect the good faith decisions of the Monitor in these CCAA Proceedings and approve the Monitor's Reports and the activities of the Monitor referred to therein.

#### **PART V – ORDER SOUGHT**

52. The Applicants respectfully request that the Court grant the Stay Extension Order substantially in the form included at Tab 3 of the Motion Record.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 16<sup>th</sup> day of March 2026.

*Stikeman Elliott LLP*  
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**STIKEMAN ELLIOTT LLP**  
Lawyers for the Applicants

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<sup>58</sup> Fourteenth Report at s. 7.1.

**SCHEDULE "A"**  
**LIST OF AUTHORITIES**

1. Hudson's Bay Company (Re), 2025 ONSC 6764
2. Target Canada Co. (Re), 2015 ONSC 7574
3. Hudson's Bay Company (Re), 2025 ONSC 4535
4. Re Clover Leaf Foods (29 September 2020), Court File No. CV-20-00641220-00CL Ont. S.C.J. [Commercial List] (Order Re Approval of Monitor's Activities and Fees and for Stay Extension)
5. Re Hudson's Bay Company ULC et al. (31 July 2025), Court File No. CV-25-00738613-00CL Ont. S.C.J. [Commercial List] (Order Re Stay Extension and Approval of Monitor's Reports)

I certify that I am satisfied as to the authenticity of every authority.

Date March 16, 2026



Signature

**SCHEDULE "B"**  
**TEXT OF STATUTES AND REGULATIONS**

**Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36**

**General power of court**

**11** Despite anything in the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

**Stays, etc. - initial application**

**11.02 (1)** A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 10 days,

- (a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of the company under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*;
- (b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and
- (c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

**Stays, etc. - other than initial application**

**(2)** A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

- (a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);
- (b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and
- (c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

**Burden of proof on application**

**(3)** The court shall not make the order unless

- (a) the applicant satisfies the court that circumstances exist that make the order appropriate; and
- (b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED, AND IN THE MATTER OF 1242939 B.C. UNLIMITED  
LIABILITY COMPANY et al.

Court File No. CV-25-738613-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**FACTUM OF THE APPLICANTS  
(RE: Stay Extension and Approval of Monitor's  
Reports)**

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

**Ashley Taylor** LSO#: 39932E  
Email: ataylor@stikeman.com  
Tel: +1 416-869-5236

**Elizabeth Pillon** LSO#: 35638M  
Email: lpillon@stikeman.com  
Tel: +1 416-869-5623

**Brittney Ketwaroo** LSO#: 89781K  
Email: bketwaroo@stikeman.com  
Tel: +1 416-869-5524

Lawyers for the Applicants