

**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")

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**REPLY FACTUM OF RUBY LIU COMMERCIAL INVESTMENT CORP.**

(Lease Assignment Motion - returnable August 28 & 29, 2025)

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August 27, 2025

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## ***Introduction***

1. The Central Walk APA, RLCI and Ms. Liu have never been looked upon by the Landlords as anything other than a hurdle to vacant HBC premises – despite the very real financial backing and efforts made by RLCI to advance the transaction under a cloud of uncertainty. It is not surprising that the Landlords’ collective Facta continue the campaign against RLCI, including casting every action by Ms. Liu as somehow devious or underhanded. Any such suggestion is false.

2. Ruby Liu Commercial Investment Corp. (“**RLCI**”) delivers this Reply Factum in reply to the responding Facta of the various landlords (the “**Landlords**”) opposing the motion by the applicants (the “**Applicants**” or “**HBC**”) made in these proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) for, *inter alia*, (a) approval of “**Central Walk APA**” and (b) an order under S. 11.3 of the CCAA for the assignment of those twenty-five leases (the “**CW Leases**”) that are the subject of the Central Walk APA.

3. All capitalized terms herein, unless otherwise defined, shall have the meanings attributed thereto in RLCI’s original factum dated, August 21, 2025.

## ***Landlords Inappropriately try to “Spin” Financial Capacity***

4. In the factum filed by KingSett Capital (“**KingSett**”), KingSett states that the financial backing of RLCI is “illusory” and suggests that Ms. Liu has “intentionally structured” her affairs to insulate herself from Canadian creditors, including the Landlords. This is an unfounded attempt to “spin” Ms. Liu’s commitment and the financial backing of RLCI. It is best example of how the Landlords refuse to be satisfied by anything RLCI and Ms. Liu bring to the table:

- (a) Ms. Liu incorporated RLCI for the purposes of the offer put forward in the Lease Monetization Process.<sup>1</sup> The Landlords cast aspersions on the creation of RLCI, when – in fact – incorporating a purchaser entity is ordinary course.

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<sup>1</sup> Affidavit of Weihong “Ruby” Liu, sworn August 12, 2025, RLCI’s Reply Motion Record dated August 12, 2025, para. 4. [Second Liu Affidavit]. | Transcript of Cross-Examination of Weihong “Ruby” Liu on August 15, 2025, p. 18, lines 17-23 [Liu Transcript].

- (b) Ms. Liu is the head of a corporate structure, established by Ms. Liu and her advisors for the purpose of managing a large, well-capitalized corporate structure that Ms. Liu controls.<sup>2</sup> The Landlords bizarrely suggest that Ms. Liu’s control of the enterprise is problematic, because she can move money within the structure as she chooses. (*What would they say if she did not have control, or the ability to utilize and direct funds?*)
- (c) Ms. Liu has agreed to provide a rent guarantee to the Landlords<sup>3</sup>, without being prompted by HBC.<sup>4</sup> This guarantee is, in effect, from the “equity parent” of the Purchaser – not dissimilar from the out-of-country guarantee by Target USA referenced by KingSett, except that Ms. Liu provided evidence of \$135,000,000 in domestic, liquid assets<sup>5</sup> and (ii) the Landlords here are wholly and actively hostile to the Central Walk APA.
- (d) The Landlords suggest that new tenants are customarily asked to provide guarantees or letters of credit. However, in cross-examinations, the affiants for the certain Landlords confirmed that they did not seek a guarantee from Ms. Liu.<sup>6</sup> When asked what a satisfactory guarantee would have been, one affiant (David Wyatt for Morguard Investments Limited (“**Morguard**”)) initially refused to answer through counsel but subsequently provided an answer in this refusal that “*on the assumption that Liu CIC [RLCI] met the other criteria listed in his affidavit, Mr. Wyatt would request a guarantee for the duration of the terms of the leases and all renewals.*”<sup>7</sup> In this case of the Morguard leases, this guarantee would extend to between 2060-2091.<sup>8</sup> Such a request – even if it had even been made in the first place – is not commercially reasonable.
- (e) Ms. Liu agreed on cross-examination that the \$400 million equity commitment was not a personal

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<sup>2</sup> Answers to Undertakings and Under Advisements given at the Cross-Examination of Ms. Liu on August 15, 2025, UA5, UA6, UA, Brief of Responses to Undertakings, Tab 8, Tabs H-W, pp. 314-428. [Liu Answers to Undertakings] | Liu Transcript; see, for example, p. 84, line 22, p. 40, line 5.

<sup>3</sup> Second Liu Affidavit, paras 8 -9, Exhibit B. | Eighth Report of the Monitor dated August 20, 2025, Appendix “D”. [Eighth Report]

<sup>4</sup> Liu Transcript, p. 69, line 1.

<sup>5</sup> Affidavit of Weihong “Ruby” Liu, sworn July 29, 2025, RLCI’s Motion Record dated July 20, 2025, para 32; Exhibit “D”. [First Liu Affidavit]

<sup>6</sup> Transcript of Cross-Examination of David Wyatt (Morguard) [Morguard Cross-Examination], p. 14, lines 8-14 | Transcript of Cross-Examination of Theresa Warnaar (KingSett), p. 55, lines 17-25.

<sup>7</sup> Morguard Cross-Examination, p. 15, line 24 | Undertaking, Refusals, and Under Advisement on Cross-Examination of David Wyatt on August 18, 2025, Answer to Refusal No. 1, Brief of Responses to Undertakings, Tab 11, p. 524.

<sup>8</sup> Factum of Morguard Investments Limited et al., dated August 25, 2025, at para. 31.

“guarantee.”<sup>9</sup> This is correct, it is not a guarantee It is commitment to provide equity funding following the assignment of the CW Leases.<sup>10</sup> As is evident from the transcript, she believed the question was about a rent guarantee to the landlords. KingSett is twisting Ms. Liu’s words to suit the Landlords’ purposes.

(f) Ms. Liu has structured intercompany loans against the Central Walk malls for accounting purposes<sup>11</sup>, made improvements to the malls<sup>12</sup> and acquired the malls from Ivanhoe Cambridge (for which Ivanhoe Cambridge agreed to provide vendor take back mortgages at favourable rates).<sup>13</sup> Ivanhoe Cambridge refused to acknowledge if, as part of the transaction, they provided appraisals to Central Walk valuing the properties a \$1.071billion.<sup>14</sup> Third-party debt on these malls totals only \$343million and Ms. Liu controls all related parties.<sup>15</sup> And yet, the Landlords erroneously suggest there is no value in the assets, corporate structure and intercompany loans that operate under, and are controlled by, Ms. Liu. Regardless, Ms. Liu does not need access all such value to fund the RLCI venture.

(g) Ms. Liu provided evidence of immediately available, domestic, liquid funds in the amount of \$135,000,000 that she is committed to advancing to RLCI, as well as a further \$170,000,000 in liquid funds that will become available by June 2026.<sup>16</sup> Again, the Landlords choose to ignore this, but instead raise phantom allegations about Ms. Liu transferring her money offshore in order to cast doubt and minimize the significant financial backing of the RLCI venture.

5. As is noted above, and illustrated the KingSett factum and cross-examinations of the various Landlord affiants, RLCI and Ms. Liu could never satisfy the Landlords. They reject RLCI as a potential tenant out-of-hand and, necessarily, must reject RLCI and Ms. Liu’s financial credibility. However, this “spin” on the financial credibility it is, itself, not credible. As detailed above, no evidence of funds, assets,

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<sup>9</sup> Liu Transcript, p. 80, line 11.

<sup>10</sup> First Liu Affidavit, para. 31 | Eighth Report, Appendix D.

<sup>11</sup> Liu Transcript, p. 53, lines 7-12.

<sup>12</sup> See, First Liu Affidavit, paras 56-63; Exhibit “E”.

<sup>13</sup> Cross-Examination of Ruby Paola (Ivanhoe), p. 39, line 11 [Ivanhoe Cross-Examination]

<sup>14</sup> Ivanhoe Cross-Examination, p. 46, line 5. P. 47, line 22, p. 48, line 23; Exhibits 2, 4 and 5. | Answers to Undertakings, Refusals and Under Advisements on Cross-Examination of Ruby Paola on August 18, 2025, UA 3; Brief of Responses to Undertakings, Tab 9, p. 484.

<sup>15</sup> Liu Transcript, Exhibits 4, 6, and 13 | Liu Transcript, p. 36, lines 21-23.

<sup>16</sup> First Liu Affidavit, para. 32; Exhibit “D”.

control or guarantees can satisfy the Landlords.

6. Critically, the question is not whether the Landlords are satisfied, but whether the Court is satisfied that it should exercise its discretion to approve the transaction and order the assignment of the leases under the CCAA.

7. RLCI and Ms. Liu have never misled anyone as to their financial backing and capabilities. Ms. Liu has provided appropriate evidence. In fact, the Central Walk APA and business plan is arguably one of the best, privately-funded distressed transactions ever considered under the CCAA. The Monitor's assessment in the Eighth Report (which the landlords conveniently ignore) is correct – there is “*a reasonable basis upon which the Potential Lease Purchaser [RLCI] can meet the financial obligations under the Subject Leases*”<sup>17</sup>.

#### ***Break with Former Advisors***

8. In the factum of Oxford Properties Group (“**Oxford**”) and the factum of Morguard, Ivanhoe Cambridge and Westcliff Management Ltd., these Landlords paint the limited engagement of Wayne Drummond as somehow inappropriate. This is incorrect.

(a) Ms. Liu admitted that Mr. Drummond was engaged on a limited basis;<sup>18</sup>

(b) Ms. Liu denies he was hired only as a “performer”;<sup>19</sup>

(c) it was originally thought that Mr. Drummond's role would continue – it did not<sup>20</sup>; and

(d) Mr. Drummond's complaints about his publicized involvement came weeks later and relate to media reporting, not public representations by RLCI.<sup>21</sup>

Mr. Drummond had a short involvement with RLCI, but it was not inappropriate. Moreover, RLCI did not mislead the Landlords nor the Court on this front. Mr. Drummond was not in active in this process

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<sup>17</sup> Eighth Report, para. 6.43.

<sup>18</sup> Liu Transcript, p. 114, lines 13-16.

<sup>19</sup> Liu Transcript, p. 114, lines 4-10.

<sup>20</sup> Liu Transcript, p. 114, lines 21-24 | Liu Answers to Undertakings, UA 10.

<sup>21</sup> Liu Answers to Undertakings, UA 10; Brief of Responses to Undertakings, Tab Z, pp. 460-461.

following the end of his limited involvement and RLCI's business plan – which does not include Mr. Drummond at all – speaks for itself.<sup>22</sup>

9. Additionally, the above Landlords cite Ms. Liu's *ex parte* letters to the Court as inappropriate, but also as evidence that RLCI engaged Mr. Drummond as a "performer". A review of the same reveals that Ms. Liu, as principal of RLCI, was not disclosing a nefarious strategy but reacting to being caught in impossibly stressful circumstances: having lost legal counsel for twenty days, believing she was misled by former advisors, being pressured to take steps she did not want to take prior to the approval of the Central Walk APA and assignment of the CW Leases, and believing that work had been undertaken on her behalf without discussion.<sup>23</sup> The letters – which RLCI accepts were not appropriate – represent a very human reaction in response to the stresses above and Ms. Liu's commitment to the transaction.

### ***J2's Involvement is Not Determinative***

10. In its factum, Oxford states that Ms. Liu admitted J2 Retail Management ("J2") cannot supply merchandise for 18 months and will not be used. She actually answered a directed question as to one part of J2's proposal that sets out an 18-month timeline and said she will not use them "because they need 18 months".<sup>24</sup> J2's proposal actually provides for delivery on shorter timelines.<sup>25</sup>

11. Regardless, the use of J2 is not determinative of success. A retail management company is only a potential part of the RLCI's inventory strategy and not for all categories of products. However, RLCI has been clear throughout that (a) it has met with many suppliers (former HBC suppliers and new suppliers) that have indicated that are willing and able to supply inventory to RLCI on short timelines<sup>26</sup>; (b) RLCI will have ample time post-closing to negotiate sufficient supply contracts<sup>27</sup>; and, (c) RLCI will be best positioned to negotiate with suppliers post-closing.<sup>28</sup>

### ***Compliance with Leases***

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<sup>22</sup> Supplemental Affidavit of Weihong "Ruby" Liu, sworn July 30, 2025, Supplemental Motion Record of RLCI dated July 30, 2025; Exhibit "A". [Supplemental Liu Affidavit]

<sup>23</sup> Liu Transcript, Exhibit 20.

<sup>24</sup> Liu Transcript, p. 155, lines 8-15.

<sup>25</sup> Second Liu Affidavit, Exhibit E.

<sup>26</sup> Second Liu Affidavit, para. 12 (c); Exhibit "C".

<sup>27</sup> Second Liu Affidavit, para. 12(e) | See, RLCI Business Plan Timelines, Supplemental Liu Affidavit, Exhibit "A".

<sup>28</sup> Liu Transcript, p. 150, line 16.

12. In the factum filed by Primaris Management Inc. and Quadreal Property Group, these two Landlords argue that the Central Walk APA represents a “bait and switch” exercise in the which RLCI intends to breach use clauses after acquiring the various CW Leases. In doing so, these Landlords rely on the very early aspirations of RLCI for the use of these spaces, Ms. Liu’s criticism about HBC and Ms. Liu’s prior (entirely correct) statements that any changes to the use of the premises would require amendments agreed to by the Landlords.

13. This amounts to the Landlords’ own attempt to “switch” the Court’s consideration away from the positions actually advanced by RLCI. RLCI acknowledges that it must comply with the terms of the CW Leases and that it intends to do so.<sup>29</sup> Ms. Liu provided sworn evidence on a number of occasions that she intends to comply with the use restrictions in the leases.<sup>30</sup> Whether any request to amend any lease is made to or accepted by a landlord is does not inform RLCI’s intended compliance with that lease. Most importantly, failing to comply with the terms of a lease would amount to breach; and, in any event of any breach, the Landlords continue to have those remedies under the CW Leases and in law that they have today, including the right to terminate.

14. To suggest RLCI’s plan is to “bait & switch” ignores the legal reality that if RLCI were to do so, it would almost certainly see the subject CW Lease terminated. In such case, RLCI would have destroyed a critical part of its own business venture (after sinking hundreds of millions of dollars into it); and, as the Monitor reports, the landlords would be in the same position they are in presently.<sup>31</sup>

*[continued on next page at paragraph 15]*

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<sup>29</sup> RLCI Business Plan, Supplemental Liu Affidavit, Exhibit A. | Liu Transcript, Exhibit 20.

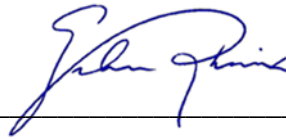
<sup>30</sup> First Liu Affidavit, paras. 20 and 36-39; Second Liu Affidavit, para. 32; Liu Transcript, p. 95, lines 21-24.

<sup>31</sup> Eighth Report, para. 6.43.

***Conclusion***

15. For all of the reasons set out above, in the original factum of RLCI dated August 21, 2025, 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 27<sup>th</sup> day of August 2025.




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