

**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**

**SUPPLEMENT TO THE THIRTEENTH REPORT OF THE MONITOR  
ALVAREZ & MARSAL CANADA INC.**

**FEBRUARY 10, 2026**

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**Appendix A – Thirteenth Report (without appendices)**

**Appendix B – February 10 Email**

## 1.0 INTRODUCTION

- 1.1 On March 7, 2025, 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson’s Bay Company ULC Compagnie De La Baie D’Hudson SRI) (“**Hudson’s Bay**” or the “**Company**”), and the other applicants listed on **Schedule “A”** hereto (together, the “**Applicants**”), were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to HBC Holdings LP and the other non-Applicant entities listed on **Schedule “A”** hereto (together with HBC Holdings LP, the “**Non-Applicant Stay Parties**”). Together, the Applicants and the Non-Applicant Stay Parties are referred to herein as “**Hudson’s Bay Canada**”.<sup>1</sup> In accordance with an Order granted by the Court on June 23, 2025, certain Hudson’s Bay Canada entities completed corporate name changes on August 6 and 7, 2025, and again on August 12, 2025. The current names of the Hudson’s Bay Canada entities after the name changes on August 12, 2025, are set out on **Schedule “B”** hereto.
- 1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as monitor of the Applicants (in such capacity, the “**Monitor**”) in these CCAA proceedings (the “**CCAA Proceedings**”).

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<sup>1</sup> The CCAA Proceedings have since been terminated in respect of two Applicants (HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc.), and the stay of proceedings no longer applies in respect of certain of the Non-Applicant Stay Parties (RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.). The defined terms “Applicants”, “Non-Applicant Stay Parties” and “Hudson’s Bay Canada” as used in this Report refer to the applicable entities at the relevant times.

- 1.3 On February 9, 2026, the Monitor filed its Thirteenth Report of the same date (the “**Thirteenth Report**”). This Report (the “**Supplemental Report**”) is a supplement to the Thirteenth Report, and should be read in conjunction therewith. Capitalized terms used herein and not otherwise defined have the meanings ascribed in the Thirteenth Report. A copy of the Thirteenth Report, without appendices, is attached hereto as **Appendix “A”**.

Purpose of this Supplemental Report

- 1.4 The Thirteenth Report was prepared in connection with a motion returnable February 11, 2026 brought by Employee Representative Counsel for the Hardship Programs Order. Among other things, the Thirteenth Report updated the Court on the significant volume of correspondence received by the Monitor from an individual who has identified himself as Robert Rene Turpin (“**Mr. Turpin**”). The purpose of this Supplemental Report is to update the Court regarding further correspondence received from Mr. Turpin.

**2.0 FURTHER CORRESPONDENCE FROM MR. TURPIN**

- 2.1 The Monitor received further email correspondence from Mr. Turpin on February 10, 2026 at 1:01 P.M., a copy of which is attached hereto as **Appendix “B”**. The Monitor does not agree with the assertions made or positions communicated by Mr. Turpin, but is including this correspondence as a courtesy to Mr. Turpin to ensure it is brought to the attention of the Court.
- 2.2 The Monitor continues to be of the view that Mr. Turpin has not provided a legitimate or credible basis to object to the Hardship Programs Order.

### 3.0 CONCLUSIONS AND RECOMMENDATIONS

3.1 For the reasons set out in this Supplemental Report, the Monitor continues to respectfully recommend that this Court grant the Hardship Programs Order.

All of which is respectfully submitted to the Court this 10<sup>th</sup> day of February, 2026.

**Alvarez & Marsal Canada Inc.,  
in its capacity as Monitor of  
1242939 B.C. Unlimited Liability Company, et al,  
not in its personal or corporate capacity**

Per:   
\_\_\_\_\_  
Alan J. Hutchens  
Senior Vice-President

Per:   
\_\_\_\_\_  
Greg A. Karpel  
Senior Vice-President

## SCHEDULE A<sup>2</sup>

### OTHER APPLICANTS

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 YSS 1 LP Inc.

HBC YSS 2 LP Inc.

HBC Holdings GP Inc.

Snospmis Limited

2472596 Ontario Inc.

247598 Ontario Inc.

### NON-APPLICANT STAY PARTIES

HBC Holdings LP

RioCan-HBC General Partner Inc.

RioCan-HBC Limited Partnership

RioCan-HBC (Ottawa) Holdings Inc.

RioCan-HBC (Ottawa) GP, Inc.

RioCan-HBC (Ottawa) Limited Partnership

HBC Centerpoint LP

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<sup>2</sup> This schedule lists the Applicants and Non-Applicant Stay Parties as of the Initial Order. As noted within the Ninth Report, the CCAA Proceedings were terminated in respect of two of the Applicants, and the stay of proceedings no longer applies in respect of several of the Non-Applicant Stay Parties.

The Bay Limited Partnership

HBC YSS 1 Limited Partnership

HBC YSS 2 Limited Partnership

## SCHEDULE B

### Name Changes for Hudson's Bay Canada Entities

Former Name	New Name	CCAA Status	Effective Date of Name Change
HBC Centrepont GP Inc.	2745263 Ontario Inc.	Applicant	August 12, 2025
HBC Holdings GP Inc.	2745270 Ontario Inc.	Applicant	August 12, 2025
Hudson's Bay Company ULC Compagnie de la Baie d'Hudson SRI	1242939 B.C. Unlimited Liability Company	Applicant	August 12, 2025
HBC Canada Parent Holdings Inc.	1241423 B.C. Ltd.	Applicant	August 12, 2025
HBC Canada Parent Holdings 2 Inc.	1330096 B.C. Ltd.	Applicant	August 12, 2025
HBC Bay Holdings I Inc.	1330094 B.C. Ltd.	Applicant	August 12, 2025
HBC Bay Holdings II ULC	1330092 B.C. Unlimited Liability Company	Applicant	August 12, 2025
The Bay Holdings ULC	1329608 B.C. Unlimited Liability Company	Applicant	August 12, 2025
2472596 Ontario Inc.	--	Applicant	--
2472598 Ontario Inc.	--	Applicant	--
Snospmis Limited	--	Applicant	--

**APPENDIX A**  
**Thirteenth Report (without appendices)**

See attached.

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**THIRTEENTH REPORT OF THE MONITOR  
ALVAREZ & MARSAL CANADA INC.**

**FEBRUARY 9, 2026**

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**Schedule A – Other Applicants and Non-Applicant Stay Parties**

**Schedule B – Name Changes for Hudson’s Bay Canada entities**

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**Appendix A – Revised Stay Confirmation Order**

**Appendix B – Endorsement dated January 27, 2026**

**Appendix C – Correspondence involving Mr. Turpin**

## 1.0 INTRODUCTION

1.1 On March 7, 2025 (the “**Filing Date**”), 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson’s Bay Company ULC Compagnie de la Baie d’Hudson SRI) (“**Hudson’s Bay**” or the “**Company**”), and the other applicants listed on **Schedule “A”** hereto (together, the “**Applicants**”), were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to HBC Holdings LP and the other non-Applicant entities listed on **Schedule “A”** hereto (together with HBC Holdings LP, the “**Non-Applicant Stay Parties**”). Together, the Applicants and the Non-Applicant Stay Parties are referred to herein as “**Hudson’s Bay Canada**”.<sup>1</sup> In accordance with an Order granted by the Court on June 23, 2025, certain Hudson’s Bay Canada entities completed corporate name changes on August 6 and 7, 2025, and again on August 12, 2025. The current names of the Hudson’s Bay Canada entities after the name changes on August 12, 2025, are set out on **Schedule “B”** hereto.

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<sup>1</sup> The CCAA Proceedings have since been terminated in respect of two Applicants (HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc.), and the stay of proceedings no longer applies in respect of certain of the Non-Applicant Stay Parties (RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.). The defined terms “Applicants”, “Non-Applicant Stay Parties” and “Hudson’s Bay Canada” as used in this Report refer to the applicable entities at the relevant times.

- 1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as monitor of the Applicants (in such capacity, the “**Monitor**”) in these CCAA proceedings (the “**CCAA Proceedings**”).
- 1.3 Since the Initial Order was granted, the Court has heard several motions and granted various Orders, and a significant volume of materials have been filed by interested parties in connection therewith. This Report (the “**Thirteenth Report**”) does not contain a detailed chronology of these proceedings or the various relief granted. Materials filed in the CCAA Proceedings, including the prior Reports of the Monitor and all endorsements and orders made by the Court, are available on the Monitor’s case website at: [www.alvarezandmarsal.com/HudsonsBay](http://www.alvarezandmarsal.com/HudsonsBay) (the “**Case Website**”).

#### Employee Representative Counsel

- 1.4 At a hearing before the Court on April 24, 2025, the Applicants sought various relief, including an Order, among other things: (a) appointing Ursel Phillips Fellows Hopkinson LLP (“**Ursel Phillips**”) as representative counsel (“**Employee Representative Counsel**”) for the Represented Employees (as defined therein); and (b) amending the Administration Charge granted in the Initial Order to include the proposed Employee Representative Counsel.
- 1.5 At the conclusion of that hearing, at which certain opposition was raised, the Court dismissed the Applicants’ motion and the competing cross motion with respect to the competing requests to appoint employee representative counsel, and appointed the Honourable Wilton-Siegel as independent third party (the “**ITP**”) to evaluate the representative counsel proposals and make a recommendation to the Court.

1.6 On May 5, 2025, the Court issued an endorsement accepting the recommendation of the ITP and appointing Ursel Phillips as Employee Representative Counsel, and an Order of the same date (the “**Employee Representative Counsel Order**”) setting out Employee Representative Counsel’s powers and protections was subsequently granted by the Court. Ursel Phillips has served as Employee Representative Counsel in these proceedings since the date of the Employee Representative Counsel Order.

Hardship Programs Motion

1.7 On February 4, 2026, Employee Representative Counsel, on behalf of the Represented Employees, served a motion record in support of a motion returnable February 11, 2026 (the “**Hardship Programs Motion**”), including an affidavit of the same date sworn by Rita De Fazio (the “**De Fazio Affidavit**”). Pursuant to the Hardship Programs Motion, the Represented Employees, as represented by Employee Representative Counsel, are seeking an Order (the “**Hardship Programs Order**”), among other things:

(a) approving the term sheet dated February 3, 2026 (the “**Hardship Programs Term Sheet**”) between the Company and Employee Representative Counsel, and acknowledged and agreed to by the Monitor, the FILO Agent (as defined below), the trustees of the Zellers Limited Health and Welfare Trust (the “**Trust**”, and those trustees, the “**Trustees**”), and the Manufacturers Life Insurance Company (“**Manulife**”);

(b) authorizing and directing the Applicants, Employee Representative Counsel, the Trustees, the Monitor, Manulife, the Bank of Nova Scotia and certain of its affiliates (collectively, “**ScotiaWealth**”), and the Hardship Committee (as defined below) to

take such additional steps and execute such additional documents as may be necessary or desirable to implement the Hardship Programs (as defined below), and authorizing various specific actions contemplated under the Hardship Programs Term Sheet;

- (c) granting certain releases in favour of the Trustees, Employee Representative Counsel, the Applicants, the Monitor, Manulife, ScotiaWealth, and the Hardship Committee; and
- (d) sealing Confidential Exhibit “A” and Confidential Exhibit “B” to the De Fazio Affidavit pending further Order of the Court.

Purpose of this Report

1.8 The purpose of this Thirteenth Report is to provide the Court with information and, where applicable, the Monitor’s views on:

- (a) various case updates, including updates on:
  - (i) the costs submissions made by various parties in connection with the October 24 Decision (as defined below);
  - (ii) the Quebec Proceedings (as defined below);
  - (iii) the Art Collection Auction and the Charter Transaction (each as defined below);
  - (iv) the removal of FF&E and signage from former Hudson’s Bay Canada locations;

- (v) the proceedings commenced by Saks Global (as defined below) under Chapter 11 of the United States Bankruptcy Code (“**Chapter 11**”, and those proceedings, the “**Saks Global Chapter 11 Proceedings**”); and
  - (vi) various correspondence with an individual asserting an ownership interest over certain assets held (or formerly held) by the Applicants;
- (b) the Hardship Programs Order;
  - (c) the Applicants’ cash flow results relative to forecast;
  - (d) the activities of the Monitor since its Eleventh Report dated December 8, 2025 (the “**Eleventh Report**”); and
  - (e) the Monitor’s conclusions and recommendations in connection with the foregoing.

## **2.0 TERMS OF REFERENCE AND DISCLAIMER**

2.1 In preparing this Thirteenth Report, A&M, in its capacity as Monitor, has been provided with, and has relied upon, unaudited financial information and books and records prepared or provided by the Applicants, and has held discussions with various parties, including senior management of, and advisors to, the Applicants (collectively, the “**Information**”). Except as otherwise described in this Thirteenth Report, in respect of the Applicants’ cash flow forecast:

- (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the

Information in a manner that would wholly or partially comply with Canadian Auditing Standards (the “CAS”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “CPA Handbook”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information; and

(b) some of the information referred to in this Thirteenth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

2.2 Future oriented financial information referred to in this Thirteenth Report was prepared based on the estimates and assumptions of the Applicants. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections and even if the assumptions materialize, the variations could be significant.

2.3 This Thirteenth Report should be read in conjunction with the De Fazio Affidavit. Capitalized terms used and not defined in this Thirteenth Report have the meanings ascribed to them in the De Fazio Affidavit.

2.4 Unless otherwise stated, all monetary amounts referenced herein are expressed in Canadian dollars.

### **3.0 CASE UPDATES**

3.1 The following is a summary of relevant updates with respect to various ongoing matters in the CCAA Proceedings.

Costs Submissions for the October 24 Decision<sup>2</sup>

- 3.2 As noted in the Eleventh Report, on October 24, 2025, the Court issued its decision (the “**October 24 Decision**”) in respect of the Central Walk Approval Motion and the FILO Motion (each as defined in the Eleventh Report). As discussed in greater detail therein, following 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 Opposing Landlords, Restore Capital, LLC (the “**FILO Agent**”), and Pathlight Capital LLC (“**Pathlight**”) exchanged costs submissions in accordance with that schedule, with the final submissions being delivered on December 17, 2025.
- 3.3 Following correspondence between the Court office and the Monitor’s counsel, the written costs submissions were provided directly to the Court and uploaded to Case Center. To date, no decision has been issued by the Court in respect of these submissions.

The Quebec Proceedings<sup>3</sup>

- 3.4 As discussed in greater detail in the Monitor’s Twelfth Report dated January 9, 2026, and the two supplements thereto, 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

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<sup>2</sup> Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the Monitor’s Eighth Report dated August 20, 2025.

<sup>3</sup> Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the Monitor’s Twelfth Report dated January 9, 2026.

of Proceedings, Glasses Gallery refused to withdraw the Quebec Proceedings and continued to take steps to advance and expand those proceedings.

3.5 As such, the Monitor brought a motion before this Court 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, and in any event no later than 3 business days from the date of the Stay Confirmation Order, and to provide the Monitor and the Applicants with evidence of such withdrawal immediately thereafter.

3.6 The hearing took place on January 16, 2026 (the “**January 16 Hearing**”). At the January 16 Hearing, counsel to the Monitor advised the Court that counsel of record for Glasses Gallery, Daigle & Matte, Avocats Fiscalistes Inc. (“**Daigle & Matte**”), had requested on behalf of Glasses Gallery that the Motion be adjourned because Daigle & Matte did not represent Glasses Gallery in the CCAA Proceedings. After considering various options proposed by counsel to the Monitor, the Court issued an endorsement, among other things:

- (a) adjourning the hearing of the Motion to January 27, 2026, at 11:00 a.m. (the “**January 27 Hearing**”);

- (b) imposing a deadline for the service of any responding material by Glasses Gallery of January 22, 2026, at 2:30 p.m., and a deadline for the service of any reply from the Monitor of January 26, 2026, at 12:00 p.m.; and
- (c) directing that Glasses Gallery not take any further action or step against the Applicants or the Monitor in any proceedings, including any action or step to advance the Quebec Proceedings, pending a determination by the Court of the Motion following the January 27 Hearing.

3.7 Glasses Gallery ultimately did not file any materials or attend the January 27 Hearing. At that hearing, the Court granted an Order (the “**Revised Stay Confirmation Order**”) revising the form of Stay Confirmation Order originally sought by the Monitor. At the Court’s direction, that Revised Stay Confirmation Order did not require the Quebec Proceedings to be withdrawn, but instead provided that the Monitor and the Applicants could file written costs submissions in respect of the matter if the Quebec Proceedings were not withdrawn within 3 business days of January 27. The Revised Stay Confirmation Order and the Court’s related endorsement are attached hereto as **Appendices “A”** and **“B”**, respectively.

3.8 Glasses Gallery withdrew the Quebec Proceedings on January 28, 2026.

Art Collection Auction<sup>4</sup>

3.9 As described in the Eleventh Report, the Art Collection Auction Procedures were approved by the Court on September 25, 2025. The Art Auction Process Order, among other things,

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<sup>4</sup> Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the Eleventh Report.

authorized the sale of the Art Collection at a series of auctions and the vesting of items sold at the auctions in the purchasers free and clear of all claims and encumbrances. As noted in the Monitor's Ninth Report dated September 22, 2025, the Company identified certain artifacts in the Art Collection that are believed to be of Indigenous origin, potentially of Indigenous origin, or uniquely representative of Indigenous culture. Those items were not included in the Art Collection Auction. The Monitor understands that these items have been, or are in the process of being, returned to the relevant communities or donated to public institutions.

3.10 As discussed in the Eleventh Report, the live auction ("**Live Auction**") held on November 19, 2025, was highly successful and achieved an aggregate hammer price<sup>5</sup> of approximately \$4.9 million. The online auction and sale of the remaining items in the Art Collection is being conducted in batches. The sale of the first batch of items sold in the online auction ("**First Online Auction**") closed on December 4, 2025, and achieved an aggregate hammer price of approximately \$2.5 million. The sale of the second batch of items in the online auction closed on January 27, 2026, and achieved an aggregate hammer price of approximately \$445,000 (which remains subject to final reconciliation and collection from buyers).

3.11 The third and fourth online auctions are scheduled to be held during the period February 10 to 19, and March 10 to 19, 2026, respectively. Beyond these, additional online auctions have not yet been scheduled; however, it is currently anticipated that there will be two

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<sup>5</sup> Hammer price is exclusive of sales taxes and fees paid to the auctioneer.

additional online auctions after the fourth auction. The Monitor will continue to provide updates to the Court on the results of the online auctions.

Closing of the Charter Transaction

- 3.12 On December 11, 2025, following a motion by the Applicants, this Court granted an approval and vesting Order (the “**Charter AVO**”), among other things, approving the sale of the Royal Charter of 1670 (the “**Royal Charter**”) to Wittington Investments, Limited and DKRT Family Corp. (collectively, the “**Purchasers**”), and vesting the Charter in the Purchasers free and clear of, among other things, all claims, security interests, encumbrances and ownership claims, subject to the obligation to immediately donate the Charter to four public institutions (the Archives of Manitoba, the Manitoba Museum, the Canadian Museum of History, and the Royal Ontario Museum).
- 3.13 The transactions contemplated by the Charter AVO (the “**Charter Transaction**”) closed on December 19, 2025, and the Charter was immediately donated to the identified public institutions. As discussed further below, and as contemplated by the Stay Extension and Distribution Order granted by this Court on May 13, 2025 (the “**Stay Extension and Distribution Order**”), the proceeds received in connection therewith were distributed to the FILO Agent on December 23, 2025.

Wage Earner Protection Program

- 3.14 On June 3, 2025, this Court granted an Order recognizing that the Applicants met the criteria under section 3.2 of the *Wage Earner Protection Program Regulations* effective

June 21, 2025, pursuant to subsections 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act*.

- 3.15 As described in the Eleventh Report, substantially all Trustee Information Forms had been submitted by the Monitor to Service Canada as of December 8, 2025. Former employees had until December 26, 2025, to submit their Wage Earner Protection Program (“WEPP”) applications to Service Canada.
- 3.16 As of the date of this Report, approximately 6,400 WEPP applications have been submitted by former employees to Service Canada, all of which have been reviewed by Service Canada.
- 3.17 The Monitor continues to work closely with the Applicants, Employee Representative Counsel, and Service Canada to facilitate the WEPP claims process and address any issues as they arise.

#### FF&E Removal

- 3.18 As of the date of this Report, FF&E removal and demolition activities have been completed at all but one location. The remaining location is leased by the JV Entities (as defined in the Eleventh Report), and the Company is coordinating the removal of FF&E at that location with the Receiver of the JV Entities. The FF&E removal at this location is expected to be completed by the end of March 2026.

### Signage Removal

- 3.19 As of the date of this Report, the Monitor understands that signage removal has been completed at all but eight former store locations. Of these remaining eight locations: (a) removal work is being competed by the respective landlords for four of the stores; and (b) the Company is coordinating the removal work at the other four stores, which process is dependent upon receipt of municipal permits prior to advancing the work.

### Saks Global Chapter 11 Proceedings

- 3.20 On January 13 and 14, 2026, Saks Global Enterprises LLC (“**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 (the “**Saks Global Chapter 11 Proceedings**”). As noted in prior Monitor’s Reports, 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 Saks Global Chapter 11 Proceedings may have an impact on shared services going forward. The Monitor will keep the Court apprised of developments in the Saks Global Chapter 11 Proceedings that it views as relevant to these CCAA Proceedings.

### Correspondence with Mr. Turpin

- 3.21 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, this Court's 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 requesting 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.

3.22 The Monitor has written to Mr. Turpin repeatedly to, among other things:

- (a) confirm that the Monitor has been unable to verify his claims;
- (b) request that he provide specific evidence to substantiate his assertions;
- (c) acknowledge his requests for written communication;
- (d) offer to have a call or virtual meeting, which he declined;
- (e) inform him that it is inappropriate to directly contact the Court or any judge in ongoing proceedings;
- (f) advise that a number of historical records and artifacts of the Applicants had been donated to the Hudson's Bay Company Archives (the "**HBCA**"), which forms part of

the Archives of Manitoba, and provide a link to the HBCA's website, which offers contact information and tools to search the archival records;

- (g) provide copies of the Charter AVO and Charter Endorsement, along with copies of the Report filed by the Monitor in connection with the Charter AVO and a link to the Monitor's website where all materials can be accessed;
- (h) confirm that the Charter Transaction has closed, that the appeal period has expired, and that the proceeds from Charter Transaction have been distributed; and
- (i) confirm that his written objection to the Hardship Programs Motion would be included with this Report.

3.23 Copies of all of the correspondence involving Mr. Turpin and the Monitor, including all such correspondence in which the Monitor is copied, are attached hereto as **Appendix "C"**.

3.24 As of the date of this Report, despite the voluminous correspondence, the Monitor is not aware of any evidence to substantiate Mr. Turpin's claims, and does not believe that Mr. Turpin has articulated a legitimate or credible basis to object to the Hardship Programs Order. Mr. Turpin has reiterated his demand for "written proceedings" for the February 11<sup>th</sup> hearing.

#### 4.0 **HARDSHIP PROGRAMS ORDER**<sup>6</sup>

##### Background

4.1 The following is background that the Monitor believes is relevant to the execution of the Hardship Programs Term Sheet. Certain details have been previously reported in the prior Reports of the Monitor, but are repeated herein for ease of reference.

4.2 At the Filing Date, the Applicants employed approximately 9,364 people across 96 stores, four distribution centres, and a head office. In the course of these CCAA Proceedings, the employment of the vast majority of these employees has unfortunately been terminated. On June 15, 2025, after it became apparent that a going concern resolution would not be reached and the liquidation of the operating stores had substantially been completed, the Applicants terminated all employees that were not required to assist with the Applicants' orderly wind-up. Since that time, the Applicants have continued to lay off employees as the wind-up has progressed and tasks have been completed, and as of February 1, 2026, the Applicants have only eight remaining employees.<sup>7</sup>

4.3 As a result, the former employees and retirees of the Applicants have faced the loss of additional income and benefits, including:

- (a) **Long-term disability ("LTD") benefits:** as of the Filing Date, approximately 188 employees and former employees of the Applicants were covered by LTD plans,

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<sup>6</sup> Capitalized terms used and not otherwise defined in this section have the meanings ascribed in the Hardship Programs Term Sheet.

<sup>7</sup> In addition to the eight remaining employees, the Applicants have retained the services of a few employees on a part-time basis through consulting arrangements.

which were funded through the Applicants' general revenues and administered by Manulife through an administrative-services only ("ASO") plan. The Applicants initially gave notice to those individuals that the ASO LTD benefits would be discontinued effective June 15, 2025; however, as described in further detail in the De Fazio Affidavit, through negotiations involving Employee Representative Counsel, the Applicants, and the Applicants' secured lenders (the FILO Agent, Pathlight, and 2171948 Ontario Inc.) (collectively, the "**Secured Lenders**"), in consultation with the Monitor, the Company has continued to extend the payment of ASO LTD benefits from time-to-time for the period from July 15, 2025 to February 15, 2026 (the "**Post-Filing LTD Payments**");

- (b) **Group benefits:** all terminated employees' group benefits, including extended health benefits, dental benefits and life insurance, were terminated as of their termination date, and no benefits or pay in lieu of benefits was received as part of any notice period;
- (c) **Other Post-Employment Benefits ("OPEBs"):** as of the date of the Initial Order, the Applicants provided certain other OPEBs to approximately 2,200 retirees, their spouses, and other eligible dependants. The OPEBs were discontinued effective April 30, 2025;
- (d) **Termination and severance pay amounts over and above the WEPP maximum benefit:** the Applicants did not make any termination or severance payments to terminated employees, and recovery for these amounts under the WEPP is limited to a maximum of \$8,844.22. The Monitor estimates that approximately 3,755 individuals

would have been entitled to termination and severance pay amounts exceeding the WEPP maximum;

- (e) **Salary continuance:** the Applicants had approximately 92 former employees in receipt of salary continuance and/or severance payments as of the Filing Date, which payments were terminated effective on or before March 18, 2025;
- (f) **Parental leave top-up benefits:** there were five employees who had commenced parental leaves and were in receipt of related top-up benefits as of the Filing Date, which benefits were terminated effective March 30, 2025; and
- (g) **Supplemental Executive Retirement Plan (“SERP”) Benefits:** there were approximately 305 employees, former employees and retirees of the Applicants that were active, deferred or vested members in various SERPs. On March 28, 2025, the Applicants provided notice to all 196 SERP retirees that their monthly SERP payments were terminated effective immediately. On April 4, 2025, notice was provided to all SERP participants that all SERPs had been formally terminated.

4.4 As described in greater detail in the De Fazio Affidavit, certain former employees and retirees of the Applicants have contacted Employee Representative Counsel to describe the hardship that they have faced as a result of the loss of their income and benefits.

4.5 The ASO LTD recipients are particularly vulnerable. As discussed above, as a result of the negotiations between Employee Representative Counsel, the Applicants and the Secured Lenders, in consultation with the Monitor, these recipients have continued to receive the LTD benefits to which they were entitled under the applicable plan prior to the Filing Date.

During the course of these CCAA Proceedings, several have reached age 65 and ceased to be entitled to LTD benefits. As of February 4, 2026, 157 former employees are in continuing receipt of ASO LTD benefits (the “**Extended LTD Recipients**”) under the Hudson’s Bay Company ULC Employee Life and Health Plan and the plan document issued and administered by Manulife under plan number 83432 (the “**ASO Plan Document**”). The overwhelming majority of the Extended LTD Recipients have been disabled for a significant period and are not anticipated to recover from their disability.

- 4.6 In addition to the Extended LTD Recipients, there is one former Woodward’s Stores Limited employee (the “**Woodward’s LTD Recipient**”) receiving ASO LTD benefits which were funded through the Applicants’ general revenues and administered by Manulife under plan number 83002. The Woodward’s LTD Recipient is a lengthy LTD claimant who was young at the date of their disability and is considered permanently disabled. The Woodward’s LTD Recipient is not eligible for LTD benefits under the ASO Plan Document.

#### The Hardship Programs Term Sheet

- 4.7 Over the past several months, Employee Representative Counsel, the Applicants, and the Secured Lenders have engaged in discussions and negotiations with support from Manulife, ScotiaWealth, the Trustees, and the Monitor regarding the implementation of various programs to relieve the hardships faced by Represented Employees (concurrent with multiple extensions to the payment of ASO LTD benefits with the concurrence of the Secured Lenders). These discussions culminated in the execution of the Hardship Programs Term Sheet. A brief summary of the key terms of the Hardship Programs Term Sheet follows below.

*The Hardship Programs*

- 4.8 The Hardship Programs Term Sheet contemplates the establishment of three programs (collectively, the “**Hardship Programs**”) for the benefit of the Represented Employees:
- (a) the “**Trust Program**”, which would provide certain payments in settlement of future claims for LTD benefits to the Extended LTD Recipients, whose benefits would otherwise have terminated;
  - (b) the “**Woodwards Replacement Policy**”, which would provide the continuation and settlement LTD policy for the Woodwards LTD Recipient, whose benefits would otherwise have terminated; and
  - (c) the “**Employee Hardship Program**”, to provide an avenue for eligible individuals facing extraordinary hardship to obtain some relief, provided the conditions set out in the Hardship Programs Term Sheet for the establishment of such program have been met.

*Funding and Purpose of the Hardship Programs*

- 4.9 The Hardship Programs Term Sheet contemplates funding for the Hardship Programs coming from three sources, respectively: (a) the Trust Program (as defined below); (b) the Company Reserve Fund (as defined below); and (c) provided the conditions to the establishment of the Employee Hardship Program have been met, the Applicants’ cash on hand, in the maximum amount of \$250,000.

4.10 The Secured Lenders have previously asserted entitlement to all of the assets that would allow for the funding for the contemplated Hardship Programs. Following extensive negotiations, the Hardship Programs Term Sheet represents a consensual resolution of issues between Employee Representative Counsel, the Applicants and the Secured Lenders. The sources and proposed uses of funding contemplated under the Hardship Programs Term Sheet are discussed in greater detail below.

*A – The Trust*

4.11 The first contemplated source of funding is the Trust and the agreement governing same (the “**Trust Agreement**”), which was established by Zellers Limited (“**Zellers**”) in 1980. The Company assumed responsibility as settlor following its merger with Zellers in 1981. The Trust Agreement provides that the Trustees are to receive, hold and administer the Trust for the purpose of providing health and welfare benefits to eligible employees by the “Participating Employer” (initially Zellers and now, the Company). The Trust’s current assets are approximately \$9.9 million, which are presently held with ScotiaWealth. The Trust has not been terminated to date, and its termination and orderly wind-up are contemplated by the Hardship Programs Term Sheet.

4.12 Pursuant to the Hardship Programs Term Sheet, immediately after receiving Court approval, the Trust would reimburse the Company for the Post-Filing LTD Payments totalling \$1,050,000. It also contemplates that the Trustees will enter into arrangements with the Company which permit the continuance of monthly LTD payments from the Trust (net of all applicable statutory deductions, as determined by the Company) to each Extended LTD Recipient in the amount that each Extended LTD Recipient would have

received pursuant to the HBC Plan and ASO Plan Document but for the Applicants' insolvency until the earlier of:

- (a) such time as the LTD Termination Payments (as defined below) are finalized and processed;
- (b) the Extended LTD Recipient's attainment of age 65; and
- (c) the Extended LTD Recipient's death (the "**Interim LTD Payments**").

4.13 Interim LTD Payments made prior to December 31, 2026, are to be funded by the Trust in advance and would thereafter be reimbursable to the Company by the Trust from the Trust Program.

4.14 No other assets of the Trust would be distributed until the Trustees are reasonably satisfied that they have no personal liability in connection with the tax obligations of the Trust as of the effective date of the wind-up of the Trust (which may include a tax clearance certificate, other form of written confirmation or an order of the Court (the "**Tax Comfort**"). Once the Tax Comfort is obtained, the remaining assets in the Trust shall be distributed in accordance with the Distribution Waterfall which, among other things, contemplates:

- (a) a "**Wind-Up Reserve**" to be retained by the Trust, in an amount expected to be sufficient to cover the wind-up costs and liabilities of the Trust; and
- (b) following the establishment of the Wind-Up Reserve, the remaining Trust assets shall be made available for distribution (the "**Available Amount**") to (i) fund the Trust Program from Extended LTD Recipients; and (b) to the Monitor, on behalf of the

Company, to reimburse the Company for specified LTD-related expenses (the “**Reimbursement**”).

4.15 The Distribution Waterfall also provides that the target distributions from the Available Amount will consist of: (a) \$3.95 million to the Company to be applied to the Trust Program (for the benefit of the Extended LTD Recipients); and (b) \$4.1 million to the Monitor, on behalf of the Company, as part of the Reimbursement. If the Available Amount is sufficient, the targeted distributions will be made in full; if there is a shortfall, the Trust Program Payment and the Reimbursement will be reduced equally.

4.16 The Hardship Programs Term Sheet contemplates that the LTD component of the ASO Plan Document and the Woodwards Plan Document will be terminated, given that the continuation of those benefit plans are no longer possible as a result of the Applicants’ insolvency. In lieu thereof, in addition to the Post-Filing LTD Payments, the Trust Program contemplates three forms of payment to the Extended LTD Recipients from the Trust (together, the “**LTD Settlement Payments**”):

(a) **Interim LTD Payments**: to preserve the income security of the Extended LTD Recipients while the Tax Comfort is obtained, and while the LTD Termination Payments are calculated and processed, the Term Sheet provides for Interim LTD Payments, as discussed above;

(b) “**LTD Termination Payment**”: a lump-sum payment reflecting the sum of all Pre-Determined Monthly Payments each individual would have received for the period beginning February 16, 2026 and ending May 15, 2028, or such other period as may be determined by Employee Representative Counsel having regard to the actual funds

available after all adjustments contemplated under the Hardship Programs Term Sheet have been taken into account, or age 65, whichever is earlier, but for the Applicants' insolvency, less applicable statutory deductions. Each individual's LTD Termination Payment shall be reduced by any Interim LTD Payments made to the individual; and

- (c) **“Residual Trust Program Payment”**: to the extent there are funds allocated to the Trust Program that could not be distributed as an LTD Termination Payment, the Company is authorized and directed to (and/or may direct an agent to), subject to receipt of applicable instructions from the Employee Representative Counsel, pay each Extended LTD Recipient from such Residual Trust Program Payment a final lump-sum payment (net of applicable costs and expenses of the Company and all applicable statutory deductions, as determined by the Company), allocated *pari passu* amongst the Extended LTD Recipients.

- 4.17 The Company would be authorized and directed to (and/or may direct an agent to) pay each Extended LTD Recipient the LTD Settlement Payments via cheque and/or direct deposit (net of applicable costs and expenses of the Company and all applicable statutory deductions, as determined by the Company), given the Trust does not have the ability to process the payments and ensure appropriate statutory withholding.

***B – Company Reserve Fund***

- 4.18 The second contemplated source of funding is a reserve fund held by Manulife (the **“Company Reserve Fund”**) consisting of approximately \$1,639,000, which was funded by the Company. For several years prior to the Filing Date, the Applicants contracted with Manulife to provide various group benefits on a Manulife-insured basis pursuant to a

refund account arrangement, under which a surplus can arise. Manulife and the Company are party to a Financial Arrangements Document which sets out the terms of the financial arrangements between parties in respect of the refund account benefits that gave rise to the Company Reserve Fund. It is not held pursuant to a trust agreement.

- 4.19 The Hardship Programs Term Sheet contemplates that Manulife will be directed to release the balance of the Company Reserve Fund to the Monitor on behalf of the Applicants, to be held pending distribution to the FILO Agent or pursuant to further Order of the Court. The Applicants will then direct the Monitor to remit approximately \$57,000 to purchase the Woodward's Replacement Policy for the benefit of the Woodward's LTD Recipient.
- 4.20 The Woodward's Replacement Policy would provide continued LTD benefits to the Woodward's LTD Recipient in accordance with a replacement policy containing terms substantially similar to the Woodward's Plan Document, under which the Woodward's LTD Recipient would cease to be eligible for benefits upon the earlier of: recovery from disability; age 65 (which will occur in July 2030); or death.

***C – Employee Hardship Program Funding***

- 4.21 The Employee Hardship Program, which would be limited to \$250,000 (representing foregone payments to the Secured Lenders), would only be established if the Minimum Reimbursement (\$4.1 million) is made from the Trust's assets. For this reason, the Employee Hardship Program will not be funded or available until after the Tax Comfort is received and the Wind-Up Reserve is determined. If the Minimum Reimbursement is received, the Employee Hardship Program would be funded from the Company's cash-on-

hand, with any unused portions to be held by the Monitor on behalf of the Applicants pending distributions to the FILO Agent or pursuant to the further Order of the Court.

- 4.22 The proposed Employee Hardship Program would permit eligible individuals to apply for a payment of up to eight weeks' of the applicant's regular wages (as determined by applicable employment standards legislation) up to a maximum weekly amount of \$1,200 per week, payable in a single lump sum installment. In addition, the Monitor or the Hardship Committee (discussed below) shall have the discretion to approve additional amounts up to \$2,500 in the case of medical or other emergencies, in each case subject to applicable deductions.
- 4.23 The Monitor would administer the Employee Hardship Program and approve or deny requests. If a request is denied, the applicant thereunder would be given the right to have its application reviewed by an informal committee to be composed of one appointee from the Applicants, one appointee from Employee Representative Counsel, and one appointee from the Monitor (the "**Hardship Committee**"). If amounts are approved for payment, the Monitor will transfer such amounts to the Company to be paid to the successful applicant. Notice of the eligibility criteria and the application process for the Employee Hardship Program shall be posted on the Case Website and the website of Employee Representative Counsel in the form attached to the Hardship Programs Term Sheet.
- 4.24 For certainty, there is no assurance that the conditions necessary to create the Employee Hardship Program will be satisfied, and therefore, there may not be any opportunity for former employees to seek payments thereunder. The Monitor will provide further updates to the former employees and the Court as this progresses.

Relief Sought by the Represented Employees

- 4.25 As noted above, to facilitate the implementation of the Hardship Programs and to obtain related relief, the Represented Employees are seeking approval of the Hardship Programs Order.
- 4.26 The Hardship Programs Order would approve the Hardship Programs Term Sheet and authorize various actions to be taken by the relevant parties in accordance with the terms thereof. It would also declare that payments from the Employee Hardship Program are not earnings arising from employment, but such payments are intended to alleviate particular hardships faced by eligible individuals of the Applicants.
- 4.27 Further, the Represented Employees seek certain releases and limitations of liability in favour of the Trustees, Employee Representative Counsel, the Applicants, the Monitor, Manulife, ScotiaWealth and the Hardship Committee, all of which have duties and responsibilities in connection with the implementation of the Hardship Programs. Specifically, the Represented Employees are seeking:
- (a) for the Applicants, the Monitor, the Hardship Committee, the Trustees and all former trustees of the Trust, Employee Representative Counsel, Manulife and ScotiaWealth, as applicable, and their respective directors, officers, employees, legal counsel, and other advisors, to be released from any and all present and future claims whatsoever in connection with their administration of the Trust, termination of the Trust Plan and LTD component of the ASO Plan Document, termination of the Trust, termination of the Woodwards LTD Policy, and implementation of the Hardship Programs Term

Sheet, and the carrying out the terms of the Hardship Programs and the Hardship Programs Order; and

- (b) for the Monitor, Employee Representative Counsel and the Hardship Committee to incur no liability in connection with the Hardship Programs;

in each case, subject only to claims for fraud or wilful misconduct or claims that are not permitted to be released pursuant to section 5.1(2) of the CCAA. In addition to these releases, the Represented Employees seek to limit any obligations: (a) of the Applicants, the Monitor and Manulife with respect to the Woodward's LTD Recipient to the purchase and provision of the Woodward's Replacement Policy; and (b) of the Trustees and ScotiaWealth with respect to the payments to Extended LTD Recipients under the Trust Program to the extent of any funds remaining in the Maximum Trust Program Payment, which are required and available to be paid to Extended LTD Recipients.

4.28 Finally, the Hardship Programs Order contains a limited request to seal Confidential Exhibits "A" and "B" to the De Fazio Affidavit, being unredacted copies of the Hardship Programs Term Sheet and the Trust Agreement, pending further Order of the Court.

4.29 The De Fazio Affidavit appended the Hardship Programs Term Sheet as Exhibit "A", with the following information redacted:

- (a) schedule "A" of the Hardship Programs Term Sheet, which identifies the Extended LTD Recipients, the monthly amounts they would receive, and the date they turn 65;
- (b) paragraph B.1 of the Hardship Programs Term Sheet, which identifies the Woodward's LTD Recipient; and

(c) the identities of the current trustees of the Trust.

4.30 The De Fazio Affidavit appended the Trust Agreement as Exhibit “B”, with the identities and addresses of the original trustees redacted.

Recommendation of the Monitor

4.31 The Monitor notes the following with respect to the Hardship Programs Order:

- (a) the Hardship Programs Term Sheet is the result of significant negotiations between the Applicants, Employee Representative Counsel, and the Secured Lenders, in consultation with the Monitor, and represents the resolution of various issues on a consensual basis that will avoid protracted litigation;
- (b) the proposed Hardship Programs are designed to benefit eligible Represented Employees who are particularly vulnerable and will continue to receive payments and benefits that would not otherwise be possible given the wind-up of the Applicants’ business;
- (c) the releases proposed in the Hardship Programs Order are sufficiently narrow and are rationally connected to the relief sought, as they are for the benefit of the parties implementing the Hardship Programs;
- (d) the information to be sealed is limited to personal information of the Extended LTD Recipients, the Woodward Recipient, the current Trustees and the former trustees. The sealing would not be for an unlimited duration, as the information would be sealed pending further Order of the Court, and the Monitor does not believe that any

stakeholders will be prejudiced by the sealing request. The Monitor notes that the Trustees are not beneficiaries of the payments contemplated by the Hardship Programs Term Sheet, and the Monitor understands they have expressed concerns in respect of their personal information being made public; and

- (e) the Monitor is not aware of any opposition to the relief sought, aside from the objection expressed by Mr. Turpin described above. The Monitor does not believe the relief sought will prejudice any of the Applicants' stakeholders, including Mr. Turpin.

4.32 For the reasons set out above, the Monitor believes that the relief sought by the Represented Employees is reasonable and appropriate in the circumstances, and that the Hardship Programs Order should be approved.

## **5.0 CASH FLOW RESULTS RELATIVE TO FORECAST**

5.1 Actual receipts and disbursements for the nine-week period from November 29, 2025, to January 30, 2026 (the "**Reporting Period**"), as compared to the cash flow forecast attached as **Appendix "H"** to the Eleventh Report (the "**Seventh Updated Cash Flow Forecast**"), are summarized in the following table:

<b>Cash Flow Variance Report</b>			<b>\$000's</b>
	<u><b>Actual</b></u>	<u><b>Budget</b></u>	<u><b>Variance</b></u>
<b>Receipts</b>	<b>40,601</b>	<b>38,276</b>	<b>2,325</b>
<b>Disbursements</b>			
Payroll & Benefits	(1,301)	(1,330)	28
Occupancy Costs	(29)	(606)	576
Wind-down Expenses	(1,533)	(2,190)	656
Store Closure & Exit Costs	(4,663)	(6,302)	1,639
Consultant Fees & Expenses	(268)	(280)	12
Professional Fees	(3,318)	(4,998)	1,680
Shared Service Payments	(414)	(2,360)	1,946
Interest Payments & Fees	(2,222)	(2,338)	117
<b>Total Disbursements</b>	<b>(13,749)</b>	<b>(20,403)</b>	<b>6,654</b>
<b>Net Cash Flow</b>	<b>26,852</b>	<b>17,873</b>	<b>8,979</b>
Opening Cash Balance	16,533	16,533	-
Net Cash Flow	26,852	17,873	8,979
FILO Credit Facility Paydown	(18,000)	(18,000)	-
<b>Closing Cash Balance</b>	<b>25,385</b>	<b>16,407</b>	<b>8,979</b>

5.2 Pursuant to paragraph 22(c) of this Court’s endorsement dated March 29, 2025, the Monitor is required to advise the Court if, at any time, actual results vary as compared to the applicable Cash Flow Forecast by 15% or more. Since the filing of the applicable Cash Flow Forecast, the Monitor notes that, on a net cash flow basis, actual cash flow results have not negatively varied from the applicable Cash Flow Forecast.

5.3 Explanations for the larger variances during the Reporting Period are as follows:

- (a) the primary components of total receipts of approximately \$40.6 million include: (i) gross proceeds of approximately \$20.3 million from the Charter Transaction; (ii) gross receipts of approximately \$8.1 million from the Live Auction and First Online

Auction;<sup>8</sup> (iii) approximately \$9.8 million related to sales tax refunds for the periods of June and July 2025; and (iv) approximately \$1.7 million in connection with a payout in respect of a class action lawsuit that commenced prior to the CCAA Proceedings;

- (b) the cumulative positive receipts variance of approximately \$2.3 million is permanent and is primarily a result of higher than anticipated gross proceeds from the First Online Auction of approximately \$1.6 million and other smaller positive variances and miscellaneous receipts;
- (c) the positive variance in occupancy costs of approximately \$576,000 represents a timing variance which is expected to reverse in future weeks as property tax and other occupancy cost reconciliation invoices for 2025 are received and payments are processed;
- (d) the positive variance in store closure and exit costs of approximately \$1.6 million is comprised of positive timing variances of approximately \$961,000 related to signage removal and \$648,000 related to FF&E removal costs. Both variances are expected to reverse in future weeks as the final FF&E and signage removal work is completed and invoiced; and

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<sup>8</sup> Cumulative gross proceeds of approximately \$8.1 million from the Live Auction and the First Online Auction are shown as having been collected and are included in the Company's Closing Cash Balance. However, in accordance with paragraph 11 of the Art Collection Auction Procedure Order, cumulative net proceeds of approximately \$7.2 million from the Live Auction and the First Online Auction are being held in trust by the Monitor pending further order of the Court or distribution to the FILO Agent. The Monitor has transferred the HST component of the proceeds from the Live Auction and the First Online Auction (approximately \$900,000 combined) to the Company for remittance to the CRA (as applicable).

- (e) the positive variance in shared service payments of approximately \$1.9 million is a timing variance that is expected to reverse in future weeks as amounts owed to Saks Global are reconciled and paid. The Monitor notes that approximately \$1.3 million related to the June 2025 period remains outstanding pending a resolution regarding the allocation and settlement of certain third-party shared contracts. The remaining amounts owing of approximately \$600,000 relate to the December 2025 and January 2026 periods and are expected to be paid in due course.
- 5.4 As directed in the October 24 Decision, and in accordance with the Stay Extension and Distribution Order, which authorized distributions to be made to the FILO Agent in respect of amounts owing under the FILO Credit Facility (excluding the Make-Whole) (each as defined in the Third Report of the Monitor dated May 9, 2025), the Company made a distribution of \$18 million to the FILO Agent on December 23, 2025.
- 5.5 The outstanding principal balance owing to the FILO Lenders under the FILO Credit Facility, after accounting for the above distribution, and excluding the Make-Whole, is approximately \$35.1 million.
- 5.6 Overall, during the Reporting Period, the Company experienced a positive net cash flow variance of approximately \$9.0 million. The closing cash balance as of January 30, 2026, was approximately \$25.4 million, as compared to the projected cash balance of \$16.4 million.
- 5.7 As previously reported, the Monitor is holding the remaining proceeds from the closing of the Affiliate Lease Assignment Transaction (as defined in the Sixth Report of the Monitor

dated July 14, 2025) of \$4 million in trust, which was received on June 26, 2025. These funds are incremental to the Company's closing cash balance as of January 30, 2026.

## **6.0 ACTIVITIES OF THE MONITOR**

6.1 Since the date of the Eleventh Report, the primary activities of the Monitor and its counsel, Bennett Jones LLP, have included the following:

- (a) continuing 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;
- (b) monitoring cash receipts and disbursements and coordinating with management in preparing weekly cash flow variance reporting; communicating with the FILO Agent and its financial advisor in respect of ongoing variance reporting, and responding to related information requests and questions; and communicating with Pathlight in respect of ongoing variance reporting, and responding to related information requests and questions;
- (c) assisting the Applicants in preparing the Sixth Updated Cash Flow Forecast and the Seventh Updated Cash Flow Forecast, including consideration of an estimated reserve to fund the remaining costs of the wind-down and CCAA Proceedings thereafter;
- (d) working with the Applicants and Saks Global on shared services cost allocations, negotiating the draft shared services agreement, coordinating the level of support necessary to advance workstreams anticipated to generate future recoveries and

properly administer remaining aspects of the wind-down, and reviewing/analyzing related supporting information and documentation;

- (e) participating in discussions and meetings with the auction services provider and other parties in respect of the Art Collection;
- (f) monitoring the concurrent receivership proceeding in respect of the JV Entities and coordinating with the Receiver of the JV Entities on various matters;
- (g) monitoring the Saks Global Chapter 11 Proceedings for issues that may be relevant to the CCAA Proceedings;
- (h) assisting the Applicants in coordinating the removal of FF&E and store signage;
- (i) working with the Applicants and Employee Representative Counsel to advance employee issues arising during the CCAA Proceedings and liaising with the Applicants, Employee Representative Counsel and Service Canada in relation to the WEPP process;
- (j) working with the Applicants, Employee Representative Counsel, and the FILO Agent to advance the Hardship Programs Term Sheet and the Hardship Programs Motion;
- (k) working with the Applicants and their counsel to develop a process to address the pension surplus;
- (l) working with the Applicants and their counsel to develop a process for document retention and destruction;

- (m) responding 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) posting non-confidential materials filed with the Court to the Case Website; and
- (o) with the assistance of Bennett Jones, preparing the Twelfth Report, the Supplement to the Twelfth Report, the Second Supplement to the Twelfth Report, and this Thirteenth Report.

## 7.0 CONCLUSIONS AND RECOMMENDATIONS

- 7.1 For the reasons set out in this Thirteenth Report, the Monitor respectfully recommends that this Court grant the Hardship Programs Order.

All of which is respectfully submitted to the Court this 9<sup>th</sup> day of February, 2026.

**Alvarez & Marsal Canada Inc.,  
in its capacity as Monitor of  
1242939 B.C. Unlimited Liability Company, et al,  
not in its personal or corporate capacity**

Per:   
\_\_\_\_\_  
Alan J. Hutchens  
Senior Vice-President

Per:   
\_\_\_\_\_  
Greg A. Karpel  
Senior Vice-President

**APPENDIX B**  
**February 10 Email**

See attached.

**From:** Robert Turpin <[rturpin15@gmail.com](mailto:rturpin15@gmail.com)>

**Sent:** Tuesday, February 10, 2026 1:01 PM

**To:** Sean Zweig <[ZweigS@bennettjones.com](mailto:ZweigS@bennettjones.com)>

**Cc:** Sangyal, Dawa (MAG) <[Dawa.Sangyal@ontario.ca](mailto:Dawa.Sangyal@ontario.ca)>

**Subject:** URGENT: Clarification of Objection for Feb 11 Hearing - Court File No. CV-25-00738613-00CL

To: Sean Zweig (Bennett Jones LLP) and the Service List

From: Crown Prince Robert Rene Turpin

Date: February 10, 2026

## **URGENT NOTICE OF PROPRIETARY ORIGIN AND ASSET DISTINCTION**

I am writing to provide a formal clarification and a strategic warning regarding the "Hardship Programs Term Sheet" and the corresponding Factum served by the Employee Representative Counsel (ERC) for the hearing scheduled for February 11, 2026.

### **1. The Proprietary Origin of the Resolution Framework**

It is a matter of record within the Monitor's 13th Report that the framework for a \$30-million resolution specifically targeting "Hardship" was a concept originated and proposed by me. It is highly irregular that the Applicants and the ERC have now presented a "Hardship Program" that mirrors my specific deal structure and valuation while failing to acknowledge its source. By adopting my proprietary format to settle corporate debts, the Applicants are implicitly validating the efficacy and necessity of the very deal they have attempted to ignore. They are using my "Blueprint" to build their own escape route.

### **2. Distinction Between Corporate Debt and Sovereign Assets**

I wish to be absolutely clear: I do not object to the provision of relief for former employees. Their struggle is the result of corporate mismanagement by the Applicants. However, I strenuously object to these programs being funded by the liquidation or "conversion" of assets that belong to the House of Turpin.

The Zellers employees are unsecured creditors seeking settlement for stale job losses from years ago. I am the Rightful Heir seeking the return of **misappropriated** Sovereign Birthright property. These are not the same legal class.

### **3. The Ombudsman and Judicial Liability**

The Manitoba Ombudsman has officially notified the Court that the investigation into the Mary Ann Turpin and Jean-Baptiste Turpin archives—the root of title for the assets HBC claims to own—is active and "in the hands of the Court."

If the Court authorizes the Applicants to spend millions of dollars derived from these disputed archives to satisfy Zellers' stale liabilities, it is a knowing **misappropriation** of my family's heirlooms. The "Hardship" of a lost job does not grant the Applicants the right to sell someone else's history to pay for it.

#### **4. Permanent Restitution**

Be advised that even if this Court allows the distribution of these funds, the liability for the **misappropriated** Birthright property remains. If the Applicants spend the value of my inheritance on "random people" to save their own reputations, they—and the Government that permitted it—will remain legally obligated to compensate the House of Turpin for the full value of the converted assets plus damages.

#### **Conclusion**

The Applicants are trying to play "Charity" with my family's bloodline. They have copied my program because they know it is the only viable path forward, but they are trying to cut out the Owner. I am putting this Service List on notice: Proceeding with this distribution without first assessing the Lineage Proof in Appendix C is a breach of fiduciary duty and a violation of the Honor of the Crown.

Respectfully,

**Crown Prince Robert Rene Turpin**

Sovereign Heir of the House of Turpin

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

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
Proceeding commenced at Toronto

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**SUPPLEMENT TO THE**  
**THIRTEENTH REPORT OF THE MONITOR**

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as Monitor and not in its personal or corporate capacity