

**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 YSS 1 LP INC., HBC YSS 2 LP INC., HBC HOLDINGS GP
INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., and 2472598 ONTARIO INC.**

Applicants

**SUPPLEMENTAL AFFIDAVIT OF ADAM ZALEV
(Sworn April 23, 2025)**

I, Adam Zalev, of the City of Nashville, in the State of Tennessee, MAKE OATH
AND SAY:

1. I am the Co-Founder and Managing Director of Reflect Advisors, LLC ("**Reflect**"), the Court-approved financial advisor to Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI (the "**Company**"). I have been working with the Company and assisting with its liquidity management and restructuring efforts since Reflect's engagement in February 2025. As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated.
2. I swear this affidavit to supplement my initial affidavit sworn April 17, 2025 (the "**Zalev Affidavit**") in support of the Applicants' motion for the SISP Amendment Order, among other things: (a) amending the SISP to remove the Company's Art Collection from the Property available for sale pursuant to the SISP; and (b) approving the Company's engagement of the Auctioneer (as defined below) to conduct the Art Collection Auction.
3. Capitalized terms used herein and not otherwise defined have the meanings given to them in the Zalev Affidavit, or the SISP Order (as defined in the Second Bewley Affidavit), as applicable.

Approval of Auctioneer's Engagement

4. As set out in the Zalev Affidavit, Reflect, in consultation with the Monitor, undertook a process to obtain proposals from five leading art auction houses in North America capable of providing Reflect, the Applicants and the Monitor with the assistance required to prepare the Art Collection for sale and conduct a transparent auction consistent with the manner in which collections such as this are typically sold.

5. Reflect held numerous and extensive discussions with the art auction houses, providing each with information in respect of the Art Collection upon the execution of a Non-Disclosure Agreement.

6. In soliciting proposals from the auction houses, Reflect sought to ascertain the auction houses' experience in (a) dealing with collections such as the Art Collection; (b) conducting auctions of this nature in Canada; and (c) facilitating the safekeeping, transport, handling and insurance matters in respect of the Art Collection. In addition, Reflect sought to ascertain the extent of the auction houses' relationships with parties most likely to participate in the auction, the auction houses' proposed marketing plan in respect of the Art Collection and the proposed economic terms of the arrangement.

7. While each of the parties contacted expressed a strong interest in conducting the auction and, in several cases, provided oral terms to Reflect setting out the basis upon which they would be prepared to do so, only one party, Heffel Gallery Limited ("**Heffel**"), demonstrated that it had the experience, capabilities and infrastructure necessary to properly undertake the auction in Canada. Ensuring that the auction takes place in Canada, given the historical significance of the Art Collection, was a prerequisite to the Company, the Monitor and Reflect.

8. Beyond its ability to conduct the auction in Canada, Heffel is highly respected both in Canada and internationally and is recognized as the leading auction house for collections such as the Art Collection in Canada. Heffel has nearly three decades of experience conducting auctions, selling more Canadian art than any other auctioneer worldwide and approaching one billion dollars in sales since 1978. Heffel's full suite of services, and comprehensive approach makes it well qualified to conduct the sale of the more than 4,400 pieces of art and artifacts comprising the Art Collection that reflect the rich heritage and cultural legacy of the Company.

9. In selecting Heffel as the proposed Auctioneer, Reflect, in consultation with the Monitor, considered a number of factors, including:

- (a) Heffel's ability to conduct the auction in Canada and its lengthy history of working with the Company, having been involved over many years in bringing certain pieces of art owned by the Company to auction;
- (b) Heffel's significant experience in bringing to market historical artifacts and artworks of a culturally significant nature and demonstrated deep respect for the cultural significance and historical importance of the Art Collection; and
- (c) Heffel's confirmation to Reflect, the Company and the Monitor that it will work to ensure safeguards are put in place at the Auction to maximize the likelihood that the Art Collection will both remain in Canada and become part of a collection available for public viewing.

10. Based on the forgoing, Reflect, on behalf of the Company, in consultation with the Monitor and subject to Court approval, proposes to engage Heffel to assist with monetizing pieces from the Art Collection through the Art Collection Auction (the "**Heffel Engagement Letter**"). The Applicants will file an executed copy of the Heffel Engagement Letter with the Court at a later date.

11. Fees proposed to be payable under the Heffel Engagement Letter to conduct the Art Collection Auction include:

- (a) seller's commission based on the range of sale price of the successful hammer price for lots sold;
- (b) performance commission of two percent (2%) of the successful hammer price for any lots that achieve a hammer price of \$1,000,000 or greater at the live auction, or \$100,000 during the online auction; and
- (c) flat fee of \$10,000 for cataloguing, photography and sale inclusion for the online auction items,

each as described in more detail in the Heffel Engagement Letter.

12. Since the commencement of the CCAA Proceedings, the Company has received several letters from various parties expressing concerns and a public interest in preserving and protecting pieces of the Art Collection. Among other things:

- (a) on April 2, 2025, the Company received a letter from the Canada Advisory Committee for Memory of the World requesting that the Royal Proclamation Charter be transferred to a public archival institution to ensure that this internationally significant, unique, and irreplaceable document is not placed at risk during the transfer of corporate ownership (the “**CACMW Letter**”). The CACMW Letter is attached hereto as **Exhibit “A”**;
- (b) on April 4, 2025, the Company received a letter from the Department of Canadian Heritage, informing the Company about the necessary cultural property export permit if controlled cultural property was exported from Canada (the “**Department of Canadian Heritage Letter**”). The Department of Canadian Heritage Letter is attached hereto as **Exhibit “B”**; and
- (c) on April 22, 2025, the Company received a letter from the Assembly of Manitoba Chiefs requesting a halt to the Art Collection Auction due to the profound cultural, spiritual, and historical significance of the Art Collection to First Nations people (the “**Assembly of Manitoba Chiefs’ Letter**”). The Assembly of Manitoba Chiefs’ Letter is attached hereto as **Exhibit “C”**.

13. The Company and Reflect, in consultation with the Monitor, and with the assistance of the Auctioneer will engage with all parties who express an interest in the Art Collection to identify pieces of historical or cultural significance and formulate appropriate terms in the Art Auction Procedures (as defined in the SISP) in respect of such pieces.

14. The Company intends, with the support of the Monitor and Reflect, to formulate and release the Art Auction Procedures as soon as practical in advance of the Art Collection Auction. The Art Auction Procedures will include a catalogue of the items to be included in the Art Collection Auction. The Company will return to Court to seek approval of the Art Auction Procedures prior to the Auction.

SISP Developments

15. As mentioned in the Zalev Affidavit, the Applicants sought and obtained the SISP Order on March 21, 2025 which authorized Reflect to conduct the SISP under the Monitor's supervision to solicit interest in, and opportunities for: (a) one or more sales of all, substantially all, or certain portions of the property, assets, and undertakings of the Company and certain entities related to the Company on a liquidation or going concern basis; and/or (b) an investment in, or refinancing of all or a portion of the business of the Company and certain entities related to the Company.

16. On March 21, 2025, the Court also granted the Liquidation Sale Approval Order, as amended on March 26, 2025, which approved the liquidation sale to commence on March 24, 2025.

17. At the time of the commencement of the SISP, the Company had excluded six stores from liquidation sale in the hopes of attracting a going concern bid for the Company's business to be operated out of at least those six locations (the "**Six Store Model**").¹

18. As at the time of swearing this affidavit, Reflect, in consultation with the Company and the Monitor, has concluded that it is unlikely to receive a viable going concern bid based on the proposed Six Store Model.

19. The exclusion of the six stores from the liquidation sale is negatively impacting the Applicants' realization efforts. Given the low probability of receiving a viable bid based on the Six Store Model, the Applicants, in consultation with Reflect and the Monitor, have decided to include these six stores in the liquidation sale effective April 25, 2025. Should a bid be received in accordance with the SISP, the Applicants retain the ability to withdraw these stores (or other stores) from the liquidation sale pursuant to, among others, the Amended and Restated SISP Order.

20. The Company, in consultation with the Monitor, will be bringing a motion to approve an interim distribution to its secured lender(s) from its excess cash on hand together with its motion to extend the stay of proceedings which expires on May 15, 2025.

¹The Six Store Model includes the following stores: 176 Yonge Street, Toronto, ON; Yorkdale Shopping Center, Toronto, ON; Hillcrest Mall, Richmond Hill, ON; Downtown, Montreal, QB; Carrefour Laval, Laval QB; and Point-Claire, QB.

RELIEF REQUESTED

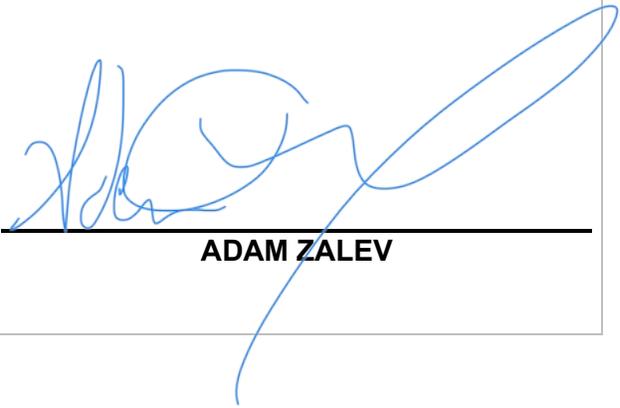
21. For the reasons set forth in the Zalev Affidavit and herein, I believe that it is in the best interests of the Applicants and their stakeholders that the Court grant the proposed SISP Amendment Order.

22. I swear this affidavit in support of the Applicants' motion seeking the SISP Amendment Order and for no other or improper purpose.

SWORN remotely via videoconference, by **Adam Zalev**, stated as being located in the City of Nashville, in the State of Tennessee, before me at the City of Toronto, in Province of Ontario, this 23rd day of April, 2025, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

B. Ketwaroo

Commissioner for Taking Affidavits, etc.
BRITTNEY KETWAROO | LSO #89781K



ADAM ZALEV

EXHIBIT "A"
referred to in the Supplemental Affidavit of
ADAM ZALEV
Sworn April 23, 2025

B. Ketwaroo

Commissioner for Taking Affidavits



April 2, 2025

Mr. Richard A. Baker
Governor and Executive Chairman
Hudson's Bay Company

Dear Mr. Baker,

I write today in my capacity as the Chair of the Canadian Commission for UNESCO Canada Memory of the World Advisory Committee. Memory of the World is an international commemorative designation guided by the United Nations Educational, Scientific, and Cultural Organization (UNESCO), which has [issued internationally recognized guidance](#) for the preservation of documentary heritage.

I am writing to seek your support for the continued protection and stewardship of the Hudson's Bay Company Royal Proclamation Charter (1670) in light of the forthcoming restructuring of the company.

The Memory of the World Programme, established by UNESCO in 1992, formally recognizes the national and international significance of documentary records and archives, thereby raising awareness of the history they represent and encouraging public awareness of their existence and value. National Advisory Committees, such as the Canadian Committee I chair, identify materials with national significance, and an International Advisory Committee, convened by the Director-General of UNESCO, reviews international nominations to select materials with worldwide historical and cultural significance. Those materials are inscribed on commemorative registers and their existence and value are promoted widely.

In 2007, UNESCO designated the Hudson's Bay Company Archives at the Archives of Manitoba as one of the first two Canadian collections added to the International Memory of the World Register. Other documentary resources on the international register include such diverse treasures as the Magna Carta, the Diaries of Anne Frank, and the original *The Wizard of Oz* film.

We understand that, despite the transfer of other archival records to the Archives of Manitoba beginning in 1973, the Royal Proclamation Charter has remained in the Hudson's Bay Company's corporate offices. On behalf of the Canada Memory of the World Advisory Committee, I would like to reiterate the justifications for recognizing the international value of these records, as "a continuous record of one of the oldest chartered trading companies in the world spanning more than three centuries." The Royal Proclamation Charter is inherently associated with the value ascribed to the Hudson's Bay Company Archives, and I hope you will agree that ensuring the document remains in safe custody is of paramount importance.

The Canadian Advisory Committee requests that the Royal Proclamation Charter be transferred to a public archival institution, such as the Archives of Manitoba, to ensure that this internationally significant, unique, and irreplaceable document is not placed at risk during the transfer of corporate ownership.

My fellow committee members and I are more than willing to offer our services to assure that the Royal Proclamation Charter finds a proper home for the benefit of all Canadians, now and in the future.

Sincerely,

A handwritten signature in black ink that reads "Cody W. Groat". The signature is written in a cursive style with a large initial 'C' and a long horizontal stroke at the end.

Cody Groat, PhD
Chair
Canada Advisory Committee for Memory of the World

cc: Tiffany Bourré, Vice President, Corporate Communications, Public Relations, Events, Owned Social, and Heritage, Hudson's Bay Company

EXHIBIT "B"
referred to in the Supplemental Affidavit of
ADAM ZALEV
Sworn April 23, 2025

B. Ketwaroo

Commissioner for Taking Affidavits



April 4, 2025

Richard Baker
Governor, CEO, Executive Chairman
Hudson's Bay Company
Richard.baker@hbc.com

Re: The Cultural Property Export and Import Act

Dear Mr. Baker,

I am writing to you today as the A/Director General of the Heritage Branch at the Department of Canadian Heritage to share information about Canada's [Cultural Property Export and Import Act](#) (CPEIA), which provides a legislative framework including controls for exports of important cultural property from Canada.

We have been made aware through media reports that historical artifacts from the Hudson's Bay Company (HBC) may be considered assets as part of the HBC's liquidation process.

While the Department of Canadian Heritage has no role respecting the transfer of cultural property within Canada, the export of controlled cultural property from Canada requires a cultural property export permit.

Summary of CPEIA Legislative Framework:

The Department of Canadian Heritage administers the [Cultural Property Export and Import Act](#) (RSC, 1985, c C-51) ("the Act") and its two regulations, the [Canadian Cultural Property Export Control List](#) ("the Control List") and the [Cultural Property Export Regulations](#).

The Control List defines the types of cultural property that require a cultural property export permit to leave Canada. It describes a range of objects, including works of fine art, textual records, and other types of objects. The Control List applies to cultural property of both Canadian and foreign origin as per section 4(2) of the Act.

Under the Act, cultural property may only be controlled if it is:

- More than 50 years old;
- Made by a person who is no longer living (where applicable), and;



- Meets the criteria, including age or a minimum dollar value, as set out in the Control List.

For example, the original Hudson's Bay Company royal charter would fall under [Group VII 2\(1\)\(a\)](#) of the Control List, if it has a fair market value in Canada of more than \$1,000.

The [Guide to Exporting Cultural Property from Canada](#) provides further guidance and interpretation of the relevant legislation including how to apply for export permits, how they are processed, and what happens should a permit application be refused.

In accordance with the Act, no person can export or attempt to export from Canada any object included in the Control List, except under the authority of and in accordance with a permit issued under the Act. As per the legislation, the due diligence is on the exporter to obtain the necessary permits.

In addition, donations of cultural property to designated heritage institutions may receive an enhanced tax benefit, if the donation is deemed to be of "outstanding significance to Canada" by the Canadian Cultural Property Export Review Board. More information about this aspect of the Act can be found on the Review Board's [website](#).

Please do not hesitate to reach out to the Movable Cultural Property team at bcm-mcp@pch.gc.ca should your office further information about the Control List or assistance with the permit application process.

Sincerely,



Brigitte Gibson
A/Director General Heritage
Department of Canadian Heritage

cc: Liz Rodbell, HBC President and CEO
Tiffany Bourré, HBC Vice President, Corporate Communications
Ashley Taylor, Stikeman Elliott LLP

EXHIBIT "C"
referred to in the Supplemental Affidavit of
ADAM ZALEV
Sworn April 23, 2025

B. Ketwaroo

Commissioner for Taking Affidavits



Assembly of Manitoba Chiefs
EMPOWERING OUR NATIONS

Sub Office

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April 22, 2025

Alvarez & Marsal Canada Inc.
Court-appointed Monitor for
Hudson Bay Company
Royal Bank Plaza, South
Tower 200 Bay Street, Suite 29000
PO Box 22 Toronto, ON M5J 2J1

Via Email:

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sdedic@alvarezandmarsal.com
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mbinder@alvarezandmarsal.com
jmarks@alvarezandmarsal.com

Attention: Alan J. Hutchens, Greg Karpel, Sven Dedic, Zach Gold, Mitchell Binder, Josh Marks

Dear Sirs:

RE: Urgent Request to Halt Sale of Hudson Bay Company Indigenous Artifacts

I am writing to express the deep concern of the Assembly of Manitoba Chiefs (the “AMC”) regarding the Hudson Bay Company’s (“HBC”) application to the Ontario Superior Court of Justice to authorize the sale of historical artifacts from the HBC’s collection. Given the nature and scope of HBC’s long-standing relationship with First Nations, it is likely, if not certain, that many of the artifacts slated for auction are of profound cultural, spiritual, and historical significance to First Nations people.

Selling these items at auction without full transparency and consultation with impacted First Nations would not only be morally irresponsible but also represent a continuation of the colonial dispossession of First Nations’ lands and belongings that the HBC directly profited from for centuries.

The AMC is calling for the following steps to be taken immediately:

1. Halt any sale or transfer of artifacts that may belong to or be linked with First Nations;
2. Make public the full catalogue of items being considered for liquidation;
3. Commit to a First Nations-led review process, involving First Nations Leaders, Elders, Knowledge Keepers, and legal counsel; and

4. Work with appropriate institutions and First Nations to identify pathways for repatriation, shared stewardship, and respectful preservation.

The HBC's legacy is inseparable from the post-contact history of the original peoples on this land. These artifacts are not simply "valuable assets" or one-of-a-kind collectibles, but pieces of living history, some of which may be sacred, stolen from First Nations or properly First Nations-owned.

True reconciliation requires more than apologies – it demands actions that restore dignity, relationships, and justice. This is a defining moment for the HBC and its creditors to choose respect, accountability and partnership with First Nations.

We request immediate action to ensure the preservation and safekeeping of First Nations history. As such, we request a meeting with all those involved in the auction proposal to discuss this matter directly with First Nations leadership.

Sincerely,
ASSEMBLY OF MANITOBA CHIEFS



Grand Chief Kyra Wilson

cc: Counsel for Hudson Bay Company: ataylor@stikeman.com; lpillon@stikeman.com; konyukhova@stikeman.com; jmann@stikeman.com; pyang@stikeman.com; bketwaroo@stikeman.com;

Department of Justice (Manitoba) Civil Legal Services: shelley.haner@gov.mb.ca;

Hon. Premier Wab Kinew: premier@manitoba.ca;

Assembly of First Nations Grand Chief Cindy Woodhouse: nationalchief@afn.ca;

Hon. Gary Anandasangaree, Minister of Crown Indigenous Relations and Northern Affairs Canada: gary.anand@parl.gc.ca;

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

Proceeding commenced at Toronto

**AFFIDAVIT OF ADAM ZALEV
(Sworn April 23, 2025)**

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